

## Dennis Meyer

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**From:** Dennis Meyer  
**Sent:** Thursday, 29 July 2021 10:02 AM  
**To:** Tom.OHanlon@woollahra.nsw.gov.au  
**Cc:** Andrew Boyarsky; brett@inghamplanning.com.au  
**Subject:** VPA Planning Proposal 136-148 New South Head Rd Edgecliff  
**Attachments:** GLN VPA key terms letter.pdf; 136-148 New South Head Road, Edgecliff - Planning Proposal Pre-applicat....pdf

General Manager  
Woollahra Council  
By email

Attention – Mr Tom O'Hanlon - Director Infrastructure and Sustainability

Dear Tom,

RE – Planning Proposal for 136-148 New South Head Road Edgecliff

We refer to your previous discussions with our planning consultant Mr Brett Brown of Ingham Planning regarding the preparation of a Voluntary Planning Agreement (VPA) to accompany a Planning Proposal (PP) for the above property. We have been working on finalising the PP following on from Council's pre-application feedback (copy attached) and should be ready to lodge shortly.

In accordance with this feedback we are seeking to progress discussions on a VPA for the site, prior to lodgement. To this end we have engaged preeminent experts in Contributions Plans and VPA's, GLN Planning, to review the existing local and state policy context and the specific circumstances applicable to the subject site and to determine appropriate and reasonable key terms that could form the basis of a letter of offer. We attach their advice for your consideration and look forward to meeting with you at your earliest convenience to discuss further.

Regards

**DENNIS MEYER**

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28 July 2021

Our Ref: 11535 - Ltr - 136-148 Edgecliff Rd - VPA\_280721.docx

Edgecliff Central Pty Limited

Attention: Andrew Boyarsky

Dear Andrew,

**POTENTIAL PLANNING AGREEMENT OFFER  
PLANNING PROPOSAL – 136-148 NEW SOUTH HEAD ROAD, EDGECLIFF**

I refer to our recent discussion regarding the planning proposal for the site at 136-148 New South Head Road, Edgecliff, and your request for advice on suggested key terms for a potential planning agreement offer in connection with the planning proposal.

This letter outlines suggested key terms in response to your request. In doing so, it considers the following:

- relevant Council advice, policies and plans
- NSW Government policy and practice
- the recent experience of other councils that previously proposed value capture / community infrastructure schemes.

Suggested key terms relate to a monetary contribution, the timing of payment, application of section 7.11 and section 7.12 contributions, and the provision of affordable housing.

## **1. Pre-application consultation advice**

Edgecliff Central Pty Ltd is intending to lodge a planning proposal for the site and recently sought pre-application advice from Council.

The pre-application submission proposed amending *Woollahra Local Environmental Plan 2014* to increase the maximum building height from 14.5 metres to 66 metres and increase the maximum floor space ratio from 1.5:1 to 6:1. Section 8 of Council's pre-application advice dated 12 April 2021 recommends any proposed building height be reduced to 12 storeys and have a maximum FSR of 4.5:1 to 5:1. It is understood Edgecliff Central Pty Ltd intends to lodge a planning proposal that complies with these limits.

The site is 1,748 square metres in area and is zoned B4 Mixed Use. Existing development on the site comprises a two-storey former bank building, a three-storey residential flat building, a semi-detached two-storey commercial building, and a two-storey commercial building.

Relevant parts of Council's pre-application advice dated 12 April 2021 are outlined below.

## 1.1 Voluntary Planning Agreement

Section 9 advised:

*Woollahra Voluntary Planning Agreement Policy 2020 (VPA Policy) was adopted by Council on 10 February 2020. Under this policy, Council may consider entering into a planning agreement where there will be an opportunity or likely requirement for a development contribution, including requests for planning proposals seeking a change to Woollahra LEP 2014 to facilitate the carrying out of development.*

*If approved, the proposed increase in Height of Buildings and FSR standards will substantially increase the development potential of the site and hence its land value. With this in mind, Council anticipates negotiating a planning agreement prepared in accordance with the VPA Policy, to share in this value uplift for the community's benefit. We emphasise, however, that the strategic merit of a planning proposal must be fully justified and the Council would need to support the requested changes.*

*Council prefers that negotiations for a planning agreement commence before the lodgement of a request for a planning proposal. Further, the VPA Policy seeks to separate the role of Council as an asset manager and planning authority to ensure probity. In this regard, please contact the Director – Technical Services to discuss the requirements for a planning agreement. It is noted that additional documentation may be required to inform the negotiations.*

## 1.2 Community services

Section 8.6 advised:

*The Woollahra Community Facilities Study (adopted 29 September 2020) identifies the need for a multipurpose facility in the Western Catchment of the Woollahra LGA. The study recommends that the facility should be a minimum of 2,000 - 2,500sqm in size and be adaptable for increased demand over time. Page 65 of the study states:*

*Strategic Opportunities for Delivery*

*8.2.3 Provide a new integrated multipurpose facility in the Western Catchment*

*A primary and pressing issue revealed through the community needs analysis is the forecast gap in provision in the Western Catchment, which is linked with the uncertainty over the future of the arrangement for the provision of a library in the City of Sydney-owned Paddington Town Hall.*

*The provision of a new integrated multipurpose facility could be located within the Edgecliff Economic Corridor area in partnership with future developers (e.g. via a Voluntary Planning Agreement or joint venture). Future uplift and development in this location over time will increase the pressure on local community facilities and further strengthen the need for a new integrated multipurpose facility.*

*The site is located within the Western Catchment and, if developed, will increase the demand for local community facilities.*

The indicative development concept submitted as part of the pre-application planning proposal request locates a multi-purpose community facility in the heritage-listed item at 136 New South Head Road. Any proposed multi-purpose community facility must be flexible to allow for a range of uses. The indicative location of the lift at the rear of the property would result in a majority of the functional space being used for circulation and is not supported. Appropriate parking arrangements for any proposed community facilities must also be considered.

A development of this scale should also consider the inclusion of child care facilities to address the increased demand.

The applicant should contact relevant Council staff to discuss the opportunities for a planning proposal request to incorporate the provision of local community facilities and / or the dedication of floor space for a facility. This may be considered in the voluntary planning agreement negotiations, as discussed in Section 9.

### **1.3 Affordable housing**

Section 8.7 indicated "A development of this scale should include affordable housing as a minimum of 5% of the new residential GFA achieved."

## **2. Draft Edgecliff Commercial Centre Planning and Urban Design Strategy**

The Draft Strategy is on exhibition from 31 May until 3 September. Relevant provisions relate to affordable housing, community facilities, suggested LEP amendments and development contributions. These are outlined below.

### **2.1 Affordable housing**

Section 5.9 indicates affordable housing must be provided at a minimum rate of 5 per cent of new residential gross floor area. The delivery of affordable housing will be encouraged through a range of mechanisms including the Woollahra Voluntary Planning Agreement Policy and a new clause in the Woollahra LEP 2014.

### **2.2 Community facilities**

Section 5.8 indicates development uplift on amalgamated sites must be accompanied by community infrastructure. The subject site is not shown in the draft strategy as a site identified site for amalgamation, however, the planning proposal for the subject site will facilitate amalgamation.

The draft strategy does not propose to locate any specific infrastructure on the subject site. It proposes public art on the adjacent intersection of Darling Point Drive and New South Head Road, to mark the entrance to the commercial centre from the north.

Section 5.8 also indicates the recommendations of the Woollahra Community Facilities Study (adopted September 2020) will be considered while determining the types of community facilities required for the strategy. This is discussed in the following subsection.

Further, Council will investigate a range of mechanisms to facilitate the delivery of community infrastructure. This may include planning agreements and/or section 7.11 and section 7.12 local infrastructure contributions plans.

## **2.3 Suggested LEP amendments**

Section 6 outlines suggested LEP amendments. It suggests a new local provision to facilitate higher density development regarding the Height of Buildings and Floor Space Ratio only if development meets certain criteria:

- Suitable site amalgamation
- Design excellence
- Delivery of community infrastructure
- Consistency with the Edgecliff Planning and Urban Design Strategy.

It also suggests an LEP amendment to deliver affordable housing at a minimum rate of 5 per cent of new residential GFA.

## **2.4 Development contributions**

Section 6 indicates all development in the Edgecliff Commercial Centre must contribute to the delivery of community infrastructure, public open space, public domain and community facilities.

Council will investigate the most appropriate development contributions mechanism. This may include planning agreements and/or section 7.11 and 7.12 development contributions plans.

## **2.5 Woollahra Community Facilities Study**

The Woollahra Community Facilities Study was adopted by Council in September 2020.

Edgecliff is located in the study's western catchment. Appendix B of the study identifies an option to provide a new integrated multipurpose building (including library space, community meeting rooms and rooms for hire) on either a new site in the western catchment or as part of a future mixed use development in Edgecliff. The study estimates the construction and fitout cost of the facility at approximately \$12.35 million.

# **3. Current Council policies and plans**

## **3.1 Planning Agreement Policy**

Section 4.3 of Council's Planning Agreement Policy adopted in February 2020 relates to value capture. It indicates:

- Council will seek to capture 50 per cent of land value uplift in connection with planning proposals.

- The developer will be required to provide the Council with sufficient details, costs and valuations to determine a realistic figure for the residual land values under the existing and altered statutory planning controls. Documentation provided to the Council is to be verified by a certified practicing valuer or a qualified and experienced land economist or both if necessary.
- The VPA Officer may engage an independent land economist and other specialists to review information provided by the developer. Costs incurred by the Council will be met by the developer.
- In negotiating a planning agreement which includes a land value capture component, the Council may vary the development contribution, including the monetary contribution, having regard to the effect of the contribution on:
  - the economic viability of a proposed development on the site,
  - the particular attributes, conditions or location of the site,
  - the type of a proposed development,
  - other circumstances that are identified.

### **3.2 Local infrastructure contributions plans**

#### ***Section 94 Contributions Plan 2002 (June 2008 Amendment)***

Council's relevant applicable local infrastructure contributions plan is its *Section 94 Contributions Plan 2002 (June 2008 Amendment)*. Under that plan, average contributions payable for development at the subject site is estimated by GLN Planning at approximately \$2,000 per dwelling. Based on the 41 dwellings currently indicated in the planning proposal concept scheme, this equates to a total contribution of approximately \$82,000.

#### ***Woollahra Section 94A Development Contributions Plan 2011***

*Woollahra Section 94A Development Contributions Plan 2011* also applies to the site but it does not appear to apply to new residential development. Under this plan contributions are calculated at 1 per cent of the development cost. We note that only one type of contribution, section 7.11 or section 7.12 contributions can be applied to any one development. For a mixed-use development only section 7.11 or section 7.12 contributions can be applied, but not both.

#### ***Draft Woollahra Section 7.12 Development Contributions Plan 2021***

The *Draft Woollahra Section 7.12 Development Contributions Plan 2021* was exhibited from 2 June to 2 July 2021. It has been prepared to replace and repeal the existing *Woollahra Section 94A Development Contributions Plan 2011*, and will apply to all land within the Municipality of Woollahra.

Under the plan, contributions are generally calculated at 1 per cent of the development cost over \$200,000.

The draft plan includes an updated works schedule but does not include any works in Edgecliff Commercial Centre.

### 3.3 Draft Woollahra Affordable Housing Policy 2021

Council's Environmental Planning Committee considered the Draft Woollahra Affordable Housing Policy 2021 at its meeting on 15 June 2021.

The Draft Policy's relevant objectives include maintaining and increasing the supply of affordable rental housing for key workers and essential workers and ensuring planning controls facilitate the supply of new affordable housing that is appropriately designed and located.

Mechanisms cited in the Draft Policy include State Environmental Planning Policy (Affordable Rental Housing) 2009, State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes) (SEPP 70) and planning agreements.

The Draft Policy notes that precincts such as Edgecliff commercial centre are currently the only areas where a contributions scheme per SEPP 70 may be applied, and then only if Council supports development uplift for the precinct.

The Draft Policy's relevant actions include:

- Contributions scheme – prepare an affordable housing contribution scheme for areas experiencing uplift consistent with SEPP 70 and the relevant guidelines. Edgecliff commercial centre is identified as a possible location.
- LEP aims – prepare a planning proposal to update the aims of the Woollahra LEP 2014 to encourage the provision of affordable housing.
- Contributions scheme / inclusionary zoning – advocate for contributions reform to permit the preparation of affordable housing contributions scheme for all new apartment developments. Inclusionary zoning is cited as an example that requires developers to provide a proportion of new developments as affordable housing.

## 4. NSW policy and practice

### 4.1 NSW Planning Agreements Practice Note

The Department released its Planning Agreements Practice Note in February 2021. Department's Practice Note includes provisions relating to value capture and affordable housing. Relevant provisions are outlined below. Under clause 25B of the *Environmental Planning and Assessment Regulations 2000* a council must "consider" any relevant practice note when negotiating planning agreements.

#### *Value capture*

As noted in section 3.1 of this letter, Council's Planning Agreement Policy includes provisions related to value capture. This includes that Council will seek to capture 50 per cent of land value uplift in connection with planning proposals and that Council may vary the value capture contribution having regard to the effect of the contribution on certain specified matters including the economic viability of a proposed development on the site.

The Department's Practice Note indicates value capture should not be the primary purpose of a planning agreement and they should not be used as a means of general revenue raising or to overcome revenue shortfalls. Relevant extracts are outlined below.

### 2.1 Fundamental principles

*A planning agreement cannot and should not purport to fetter any authority's exercise of statutory functions, in particular the function of a relevant planning proposal authority in relation to a planning proposal, a local plan-making authority in relation to the local environmental plan that gives effect to a planning proposal or the consent authority for a development application.*

...

*Planning authorities and developers that are parties to planning agreements should adhere to the following fundamental principles.*

- *Planning authorities should always consider a development proposal on its merits, not on the basis of a planning agreement.*
- *Planning agreements must be underpinned by proper strategic land use and infrastructure planning carried out on a regular basis and must address expected growth and the associated infrastructure demand.*
- *Strategic planning should ensure that development is supported by the infrastructure needed to meet the needs of the growing population.*
- *Planning agreements should not be used as a means of general revenue raising or to overcome revenue shortfalls.*
- *Planning agreements must not include public benefits wholly unrelated to the particular development.*
- *Value capture should not be the primary purpose of a planning agreement.*

### 2.3 Value capture

*In general, the use of planning agreements for the primary purpose of value capture is not supported as it leads to the perception that planning decisions can be bought and sold and that planning authorities may leverage their bargaining position based on their statutory powers.*

*Planning agreements should not be used explicitly for value capture in connection with the making of planning decisions. For example, they should not be used to capture land value uplift resulting from rezoning or variations to planning controls. Such agreements often express value capture as a monetary contribution per square metre of increased floor area or as a percentage of the increased value of the land. Usually the planning agreement would only commence operation as a result of the rezoning proposal or increased development potential being applied.*



Council's pre-application advice that "*Council anticipates negotiating a planning agreement prepared in accordance with the VPA Policy, to share in this value uplift for the community's benefit*" appears inconsistent with value capture provisions in the Department's Planning Agreement Practice Note as outlined above.

### ***Affordable housing***

The Practice Note indicates that *State Environmental Planning Policy No. 70 - Affordable Housing (Revised Schemes)* (SEPP 70) is the enabling mechanism for securing affordable housing contributions through imposing a condition of consent.

To secure contributions through this pathway, councils must establish an affordable housing contribution scheme and arrange for the relevant local environmental plan to be amended to authorise the imposition of the condition. *Environmental Planning Assessment (Planning Agreements) Direction 2019* sets out the matters to be considered by council if negotiating a planning agreement which provides for affordable housing.

## **4.2 Environmental Planning Assessment (Planning Agreements) Direction 2019**

The Minister for planning issued a direction to all local councils regarding planning agreements and affordable housing in February 2019.

The direction applies to a council if it is negotiating the terms of a proposed planning agreement that includes provision for affordable housing in connection with a development application or proposed development application.

Under the direction, councils are required to consider various matters, including the following:

- Whether the consent authority for the development application is authorised by a local environmental plan to impose an affordable housing condition on a grant of development consent to the application
- Whether it is proposed that the planning agreement provide for affordable housing (including by making a monetary contribution for that purpose) instead of local infrastructure contributions that may be imposed under section 7.11 or section 7.12 of the Act
- The terms of any affordable housing contributions scheme for dedications or contributions set out in or adopted by a local environmental plan
- Having regard to the various matters (including those listed above), whether it is reasonable for the planning agreement to include a contribution of the value proposed by the council for the purpose of affordable housing.

The direction also indicates that before entering into a planning agreement in connection with the provision of affordable housing, a council must prepare and publish, or otherwise make publicly available, a policy setting out the circumstances to which they make seek to negotiate a planning agreement where the consent authority for development in a local government area is authorised to impose an affordable housing condition.

The direction does not refer to planning proposals. The direction implies a preference for planning agreements in connection with development applications to include contributions towards affordable housing where an affordable housing condition is authorised by a local environmental plan. Currently only a small number of councils' LEPs, including the City of Sydney and Willoughby, include provisions for affordable housing conditions. Woollahra LEP 2014 does not include such a provision.

It is unclear whether the intent of the direction is to apply similar principles to planning proposals, that is, discourage planning agreements requiring affordable housing where the council's LEP does not include affordable housing provisions.

### **4.3 Other Councils' experience**

#### *City of Sydney*

The City of Sydney previously proposed a community infrastructure (value capture) scheme in Central Sydney as part of its Central Sydney Planning Strategy. More recently, the City abandoned its proposed community infrastructure scheme in favour of amending its existing Central Sydney development contribution plan to include a higher contribution rate. It is understood the City is doing this as the Department did not support its proposed community infrastructure scheme.

Under the existing *Central Sydney Development Contributions Plan 2013*, contributions are calculated at 1 per cent of the development cost over \$200,000. Under the Draft Central Sydney Contributions Plan 2020, contributions are calculated on a sliding scale up to 3 per cent of the development cost over \$1 million. The draft plan has been publicly exhibited and submitted to the Department for post-exhibition approval. The Department's approval must be sought as the proposed contribution rate is above 1 per cent. If the Department approves the proposed rate it will need to amend the Environmental Planning and Assessment Regulations 2000.

It is noted that the City also requires affordable housing contributions in Central Sydney, in addition to local infrastructure contributions. The contribution may be satisfied by dedication of dwellings or by making an equivalent monetary contribution.

Under Sydney LEP 2012, affordable housing contributions are calculated at 3 per cent of the total floor area that is to be used for residential uses and 1 per cent for non-residential uses. The equivalent monetary contribution is \$10,588 per square metre. This is subject to indexation.

#### *Parramatta Council*

Parramatta Council previously proposed a phase 1 value share rate of \$250 per square metre in connection with its Parramatta CBD Planning Strategy but has since abandoned this and is now pursuing an increase to its section 7.12 local infrastructure contributions in lieu of value sharing.

The Department, in its approval of the Parramatta CBD Planning Proposal in July 2020 to go on public exhibition, allowed the draft community infrastructure provisions to be retained for the purposes of exhibition, but noted that "further resolution of this matter will be required at the finalisation of the planning proposal". This was because the Department noted that the "draft planning agreements policy framework released by the Department in April 2020 provides a point of tension in applying Council's intended approach". The planning agreements practice note was only a draft at that time but has since been finalised by the Department, in February 2021.

The Council officers report of 15 June 2021 recommended that as a part of the resolution in finalising the CBD Planning Proposal, Council also resolve to prepare a new section 7.12 contributions plan with a higher levy, so as to send a clear message to the market and community that whilst the 'value sharing' system (through the provision of community infrastructure) is being removed, infrastructure funding will still be pursued through this alternate funding pathway.

Contributions in Parramatta CBD are currently calculated at three per cent of the development cost.

To preserve the original intent of the exhibited CBD Planning Proposal, officers also recommended that rather than completely removing the original community infrastructure clause and base and incentive FSR maps, the clause instead be amended to include compliance with key community infrastructure principles in order to access the incentive FSR. The recommended key community infrastructure principles, as endorsed by Council on 15 June 2021, are:

- Public access to the community infrastructure network has been maximised in the design of the development.
- There is appropriate community infrastructure in place or planned to meet the needs of the proposed development acknowledging the additional density permissible under this clause.
- The development includes community infrastructure where the size of the site, the location of the site, and the nature of the development will allow for the provision of that community infrastructure.

Regarding affordable housing, Council's policy under its Affordable Rental Housing Policy 2019 is that 10 per cent of land value uplift in all areas outside the Parramatta CBD will be captured by Council for the purpose of providing affordable rental housing. Council does not require affordable housing contributions in Parramatta CBD.

### ***Randwick City Council***

Randwick Council previously proposed a community infrastructure rate of \$475 per square metre of additional residential floor space as part of the Kensington to Kingsford corridor planning proposal.

The Council submitted a draft strategy to the Department in December 2016. The Department issued a gateway determination on 5 March 2018 which included several conditions, one of which (condition 1(c)) required draft Community Infrastructure Contributions clause be removed.

The planning proposal was finalised on 14 August 2020. The community infrastructure clause says that a development can obtain additional building height or additional floor space if it includes community infrastructure on the development site.

### ***Willoughby City Council***

Willoughby Council proposed a value sharing / community infrastructure scheme as part of its Chatswood CBD Planning and Urban Design Strategy 2036.

In a letter dated 9 August 2019 the Department advised Council that it partially endorsed the draft CBD Strategy, and recommended that Council revise the strategy and resubmit it to the Department.

One of the matters that the Department advised Council to revise related the funding and delivery of infrastructure, that is:

“Council is only to utilise appropriate mechanisms within the parameters of the Environmental Planning and Assessment Act 1979 for the provision of local infrastructure to support new development such as revisions to its Section 7.12 or Section 7.11 Plans or inserting a new clause in Willoughby LEP 2012 for the delivery of on-site essential infrastructure. No value capture mechanism or the like will be supported by the Department.”

Contributions are currently calculated at three per cent of the development cost over \$200,000.

Under Willoughby LEP 2012, affordable housing contributions are calculated at 4 per cent of the total residential floor space.

#### **4.4 NSW infrastructure contributions review**

In April 2020, the Minister for Planning and Public Spaces requested the NSW Productivity Commissioner to undertake a review of the infrastructure contributions system in New South Wales.

The Commission’s Final Report was released on 3 December and made 29 recommendations for reform. Relevant recommendations include:

- Amend the local government rate peg to reflect population growth
- Amend the maximum rate for section 7.12 contributions as follows:
  - \$8,000 per additional dwelling for accommodation in residential flat buildings (the Commission’s report indicates this is intended to approximate to 3 per cent of the development cost)
  - \$35 per square metre of additional gross floor area for commercial uses
  - \$25 per square metre of additional gross floor area for retail uses
- Defer payment of contributions to the occupation certificate stage, including extending permanently the *Environmental Planning and Assessment (Local Infrastructure Contributions – Timing of Payments) Direction 2020* that was introduced as a temporary measure in response to the COVID-19 pandemic.

In March 2021 the Government accepted all 29 recommendations in the Commission’s Final Report. It is understood the Department is aiming to release draft provisions in the coming months so the changes can commence towards the middle of 2022.

### **5. Key terms for a potential planning agreement**

Previous discussion indicates Council’s preference for a value capture contribution to be provided through a planning agreement is inconsistent with the Department’s policy and practice and recent experience of other councils.

However, the provision of infrastructure specifically on development sites has been deemed acceptable. Woollahra Council policies propose the provision of a multipurpose community facility of 2,000 to 2,500 square metre in Edgecliff Commercial Centre; the Draft Edgecliff Commercial Centre Planning and Urban Design Strategy identifies the need for additional infrastructure but does not identify the need for infrastructure specifically on the subject site.

It is understood that the site includes a heritage building and is too constrained to accommodate a multipurpose community facility or any meaningful public space and other sites nearby may be more suitable.

It is unclear if Council's request for 5 per cent of new residential floor space to be provided as affordable housing is consistent with the intent of the *Environmental Planning Assessment (Planning Agreements) Direction 2019*, noting Woollahra LEP 2014 does not include provisions relating to affordable housing contributions.

Despite these limitations, it is understood the applicant wishes to ensure the planning proposal results in an appropriate and balanced public infrastructure outcome that is also broadly consistent with wider policy, practice and experience.

That being the case, potential key terms for a planning agreement offer could include:

- **Monetary contribution** – payment of a monetary contribution calculated at 1 per cent of the development cost
- **Application of section 7.11 and section 7.12 contributions** – the monetary contribution is provided instead of providing a section 7.11 or section 7.12 contribution
- **Timing of payment** – the monetary contribution is paid prior to the issue of an occupation certificate.
- **Affordable housing contribution** – payment of a contribution equivalent to the value of 3 per cent of proposed residential floor space
- **Other terms** – other terms to be agreed during drafting but expected to be generally in accordance with Council's standard requirements and planning agreement template.

Each component is discussed separately below.

## 5.1 Monetary contribution

As noted, the offer could include payment of a monetary contribution calculated at 1 per cent of the development cost, to be applied towards local public amenities and services.

This would result in a contribution that is more than the contribution otherwise required under Council's existing Section 94 Contributions Plan 2002 (June 2008 Amendment). As noted, analysis suggests the contribution required for development on the site under this plan would likely equate to less than 0.5% of the development cost.

It is consistent with the contribution that would be required if Woollahra Section 94A Development Contributions Plan 2011 or Draft Woollahra Section 7.12 Development Contributions Plan 2021 is applied to development on the site.

It is expected this would result in a monetary contribution of approximately \$925,000, assuming a development cost of approximately \$92.5 million.

## 5.2 Application of section 7.11 and section 7.12 contributions

The offer could include a provision that the monetary contribution be provided instead of providing a section 7.11 or section 7.12 contribution, that is, section 7.11 and section 7.12 contributions be excluded from applying to development on the site enabled by the planning proposal. This is possible under section 7.4(3) of the Environmental Planning and Assessment Act 1979.

Excluding the application of section 7.11 and section 7.12 contributions to development on the site enabled by the planning proposal is reasonable as the monetary contribution offered is greater than the contribution required under Council's existing Section 94 Contributions Plan 2002 (June 2008 Amendment). It will also provide greater certainty at the planning proposal stage about the contributions that will be received at the development application stage.

## 5.3 Timing of payment

The offer could include payment of the monetary contribution prior to the issue of an occupation certificate.

This is consistent with the Productivity Commission's recommendation resulting from its review in 2020 of the NSW infrastructure contributions system, as accepted by the Government in March 2021. It is also consistent with the *Environmental Planning and Assessment (Local Infrastructure Contributions – Timing of Payments) Direction 2020* that was introduced as a temporary measure in response to the COVID-19 pandemic.

## 5.4 Affordable housing contribution

The offer could include payment of a contribution equivalent to the value of 3 per cent of proposed residential floor space.

This is consistent with the City of Sydney for 3 per cent of all residential floor space in Central Sydney to be required as affordable housing, or an equivalent contribution, but it is less than the 5 per cent of new residential floor space as affordable housing proposed in Council's Draft Edgecliff Commercial Centre Planning and Urban Design Strategy.

Central Sydney is considered to provide a good comparator as both areas typically have high land and construction costs for residential development.

We understand from discussions that the provision of 5 per cent of new residential floor space for affordable housing (or an equivalent monetary contribution) would have a significant financial impact on the development.

As noted, under Environmental Planning Assessment (Planning Agreements) Direction 2019 councils are required to consider various matters, including whether the consent authority for the development application is authorised by a local environmental plan to impose an affordable housing condition on a grant of development consent to the application and whether it is proposed that the planning agreement provide for affordable housing (including by making a monetary contribution for that purpose) instead of local infrastructure contributions that may be imposed under section 7.11 or section 7.12 of the Act.

If Council indicates a preference for affordable housing to be provided at more than 3 per cent of all residential floor space, the offer could be adjusted so that this is fully offset against the monetary contribution offered instead of local infrastructure contributions under section 7.11 and section 7.12 of the Act.

The equivalent monetary contribution towards affordable housing required in Central Sydney is \$10,588 per square metre of residential floor space. This applies until July 2022 and is then subject to indexation. If this rate is applied to the proposed development on the subject site, the contribution towards affordable housing would be approximately \$1.78 million. This assumes an FSR of 3.3:1 and a total residential floor space of 5,613 square metres.

## 5.5 Other terms

As noted, other terms of the planning agreement would be agreed during drafting but would be expected to be generally in accordance with Council's standard requirements and planning agreement template.

## 6. Conclusion

The potential offer includes payment of a monetary contribution calculated at 1 per cent of the development cost and the provision of affordable housing calculated at 3 per cent of all residential floor space. The monetary contribution would be provided instead of section 7.11 and section 7.12 contributions and would be payable prior to the issue of an occupation certificate. It is estimated this would result in a combined monetary contribution of approximately \$2.705 million.

An offer on the above basis, on our view, is considered reasonable and broadly consistent with existing NSW policies and practices including approaches used by other councils that have similarly high land values and have amended their LEPs to enable affordable housing contributions. The total resultant total contribution is also significantly greater than the contribution payable under Council's existing section 7.11 (formerly section 94) development contributions plan.

If you require any further information about this matter, please do not hesitate to contact me on 0423 943 232 or at [Jonathon@glnplanning.com.au](mailto:Jonathon@glnplanning.com.au).

Yours faithfully

**GLN PLANNING PTY LTD**



**JONATHON CARLE**  
**PRINCIPAL INFRASTRUCTURE PLANNER**

## Dennis Meyer

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**From:** Dennis Meyer  
**Sent:** Tuesday, 26 October 2021 9:54 AM  
**To:** 'Tom.OHanlon@woollahra.nsw.gov.au'  
**Cc:** Andrew Boyarsky; brett@inghamplanning.com.au; Carl Reid  
**Subject:** VPA for Planning Proposal 136-148 New South Head Rd Edgecliff

Tom,

On Thursday 29/7/21 at 10:02am we submitted via email our suggested VPA (as recommended by Council Staff in the Pre-application response dated 12/4/21) to accompany our forthcoming Planning proposal for the above site.

### 9 Voluntary planning agreement

The *Woollahra Voluntary Planning Agreement Policy 2020 (VPA Policy)* was adopted by Council on 10 February 2020. Under this policy, Council may consider entering into a planning agreement where there will be an opportunity or likely requirement for a development contribution, including requests for planning proposals seeking a change to Woollahra LEP 2014 to facilitate the carrying out of development.

If approved, the proposed increase in Height of Buildings and FSR standards will substantially increase the development potential of the site and hence its land value. With this in mind, Council anticipates negotiating a planning agreement prepared in accordance with the VPA Policy, to share in this value uplift for the community's benefit. We emphasise, however, that the strategic merit of a planning proposal must be fully justified and the Council would need to support the requested changes.

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136-148 New South Head Road, Edgecliff  
Pre-application consultation 2/2021 [21/52431]

12 April 2021

Council prefers that negotiations for a planning agreement commence before the lodgement of a request for a planning proposal. Further, the VPA Policy seeks to separate the role of Council as an asset manager and planning authority to ensure probity. In this regard, please contact the Director – Technical Services to discuss the requirements for a planning agreement. It is noted that additional documentation may be required to inform the negotiations.

Since then we formally lodged our Planning proposal with Council on Wednesday 8/9/21 around 4pm.

I have attempted to contact you to discuss progress of the VPA a number of times since then.

- Via email on Wednesday 15/9/21 @3:20pm
- Via email on Tuesday 12/10/21 @ 3:05pm
- Via telephone on Wednesday 20/10/21 @11:55am and left message to contact me re above
- Via telephone on Monday 25/10/21 @10:12am and left message to contact me re above.

If you could please advise the status of the submitted VPA and how you are progressing with its review and when you would like to discuss it further with us.

We await your response.

Regards



**DENNIS MEYER**

**ANKA PROPERTY GROUP**

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## Dennis Meyer

---

**From:** Dennis Meyer  
**Sent:** Monday, 24 January 2022 10:05 AM  
**To:** 'Richard Pearson'  
**Cc:** Andrew Boyarsky; brett@inghamplanning.com.au; Armodee Reece; Paul Fraser  
**Subject:** RE: Proposed VPA 136-148 New South Head Rd, Edgecliff  
**Attachments:** 136-148 New South Head Rd Edgecliff VPA Feasibility Analysis 220112.pdf

Richard,

Please find attached the Residual Land Value Analysis undertaken by Hill PDA on our behalf along with our cover letter.

We look forward to further discussion after you and your team have reviewed its contents.

### DENNIS MEYER

#### ANKA PROPERTY GROUP

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**From:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Sent:** Friday, 21 January 2022 11:19 AM  
**To:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; brett@inghamplanning.com.au; Armodee Reece <[Armodee.Reece@woollahra.nsw.gov.au](mailto:Armodee.Reece@woollahra.nsw.gov.au)>; Paul Fraser <[Paul.Fraser@woollahra.nsw.gov.au](mailto:Paul.Fraser@woollahra.nsw.gov.au)>  
**Subject:** RE: Proposed VPA 136-148 New South Head Rd, Edgecliff

Noted, thanks Dennis



**Richard Pearson**  
**Development Manager – Strategic Properties**

Woollahra Municipal Council  
536 New South Head Road, Double Bay NSW 2028

**e:** [Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au) **w:** [www.woollahra.nsw.gov.au](http://www.woollahra.nsw.gov.au)

**Our Values:** Respect for People | Integrity and Excellent Performance | Professional Quality Service | Open Accountable Communication

*We acknowledge the Gadigal and Birrabirragal people as the traditional custodians of the land in our local area.*

---

**From:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>  
**Sent:** Friday, 21 January 2022 11:04 AM  
**To:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; [brett@inghamplanning.com.au](mailto:brett@inghamplanning.com.au); Armodee Reece <[Armodee.Reece@woollahra.nsw.gov.au](mailto:Armodee.Reece@woollahra.nsw.gov.au)>; Paul Fraser <[Paul.Fraser@woollahra.nsw.gov.au](mailto:Paul.Fraser@woollahra.nsw.gov.au)>  
**Subject:** RE: Proposed VPA 136-148 New South Head Rd, Edgecliff

Apologies Richard.  
With impacts of Xmas and COVID we have had a few delays.  
We are just finalizing with HillPDA now and should be able to issue to you early next week.

**DENNIS MEYER**

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**From:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Sent:** Friday, 21 January 2022 10:46 AM  
**To:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; [brett@inghamplanning.com.au](mailto:brett@inghamplanning.com.au); Armodee Reece <[Armodee.Reece@woollahra.nsw.gov.au](mailto:Armodee.Reece@woollahra.nsw.gov.au)>; Paul Fraser <[Paul.Fraser@woollahra.nsw.gov.au](mailto:Paul.Fraser@woollahra.nsw.gov.au)>  
**Subject:** Proposed VPA 136-148 New South Head Rd, Edgecliff

Dear Dennis

I refer to your email to Tom O'Hanlon of 12 November regarding the residual land valuation analysis for the above proposed VPA and indicating a timeframe of circa 4 weeks to provide the required analysis. We do not appear to have received any further correspondence from you since that time.

Can you please urgently advise status as this is now potentially impacting consideration of the VPA and Planning Proposal for the site.

Thanks and regards,

Richard



**Richard Pearson**  
**Development Manager – Strategic Properties**

Woollahra Municipal Council  
536 New South Head Road, Double Bay NSW 2028

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# EDGECLIFF CENTRAL PTY LTD

ABN 41 630 520 517

Level 3, 179-191 New South Head Road, Edgecliff NSW 2027

Tel: (61 2) 9302 3000 Fax : (61 2) 9302 3030

24 January 2022

General Manager  
Woollahra Council

Attention – Tom O’Hanlon

Dear Tom,

RE: Planning Proposal – 136-148 New South Head Road Edgecliff

In response to Council’s request for an analysis of the pre and post rezoning value of the subject land, we have commissioned highly respected economic consultants, Hill PDA, to prepare a report. This report has regard to a number of matters including Council’s VPA policy. Whilst the report includes a monetary contribution based on Council’s VPA, we maintain our position that Council’s policy and in particular the requirements relating to ‘value uplift’ is contrary to DPIE’s Practice Note and their demonstrated position on value capture in relation to other recent Planning Proposals.

We are providing the report as a basis for further discussion and note that Council’s VPA Policy includes the following provision:

*In negotiating a planning agreement which includes a land value capture component, the Council may vary the development contribution, including the monetary contribution, having regard to the effect of the contribution on:*

- (a) the economic viability of a proposed development on the site,*
- (b) the particular attributes, conditions or location of the site,*
- (c) the type of a proposed development,*
- (d) other circumstances that are identified.*

We have previously advised you of our position regarding the appropriate basis for determining an overall monetary contribution to be made as part of a VPA and we ask that these matters be given determining weight in Council’s consideration of this issue. Further, the Hill PDA report indicates that the actual price paid for the subject land is greater than the post rezoning residual land value. Whilst Hill PDA suggest a more appropriate way of comparing the two values, it is a matter of fact that Anka purchased the site ‘above market rates’ and this variable plays a significant role in determining the economic viability of the project. As noted above economic viability can be taken into account by Council and in this case should be a reason to reduce the value capture figure so as to ensure that the proposed development is able to proceed.

P O Box 727, Edgecliff NSW 2027, AUSTRALIA

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## EDGECLIFF CENTRAL PTY LTD

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We are submitting the report to facilitate Council's timely consideration and progression of the planning proposal. In the event that this matter be reported to Council without further negotiations, we ask that the policy inconsistency be clearly noted in Council's report and noted that the issue may be considered by the DPIE as part of its Gateway assessment.

We look forward to your consideration of this report and further discussions so that an appropriate agreement can be reached between the parties.

Regards,

Dennis Meyer

Development Manager



---

## Feasibility analysis

136-148 New South Head  
Road, Edgecliff

Prepared for Edgecliff  
Central Pty Limited

January 2022

**HillPDA**  
CONSULTING

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## Quality Assurance

### Report Contacts

---

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Senior Valuer  
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### Supervisor

---

Martin Hill  
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### Quality Control

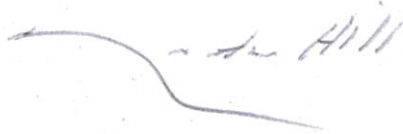
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This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

### Reviewer

---

Signature



Dated

21/01/22

### Report Details

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Job Number	V22038
Version	Final
File Name	V22038 – Feasibility analysis, Edgecliff Final
Date Printed	January 2022

## INTRODUCTION

HillPDA has been engaged by Edgecliff Central Pty Limited to provide an independent assessment of the land value uplift associated with the planning proposal for 136-148 New South Head Road, Edgecliff (subject site).

The subject site encloses 1,746sqm of land and is zoned 'B4 Mixed Use'. The lands have an FSR of 1.5:1 and 14.5 metre building height limit under the Woollahra Local Environmental Plan 2014.

Edgecliff Central Pty Limited has submitted a planning proposal that encompasses the whole site which is currently with the Woollahra Municipal Council. The Planning Proposal seeks to amend the following planning provisions of the Woollahra Local Environmental Plan 2014, as follows:

- Amend the height of buildings controls to allow 12 storeys
- Amend the Floor Space Ratio (FSR) controls for the site to 4.99:1
- Dedicate affordable housing at minimum 3% of all residential GFA.

A summary of the particulars are tabulated below.

**Table 1: Summary of the existing and proposed scheme**

	Existing planning controls	Proposed Scheme
Total site area	1,746sqm	1,746sqm
Zoning	B4 Mixed Use	B4 Mixed Use
FSR	1.5:1	4.99:1
Gross Floor Area (GFA)	2,619sqm	8,716sqm
Public benefit associated with the FSR uplift	Land value uplift based on the proposed additional GFA and increase in building height limits.	

### Valuation Basis

In arriving at our opinion of value, we have used the Direct Comparison and the residual land value analysis to assist with our assessment of the land value uplift by:

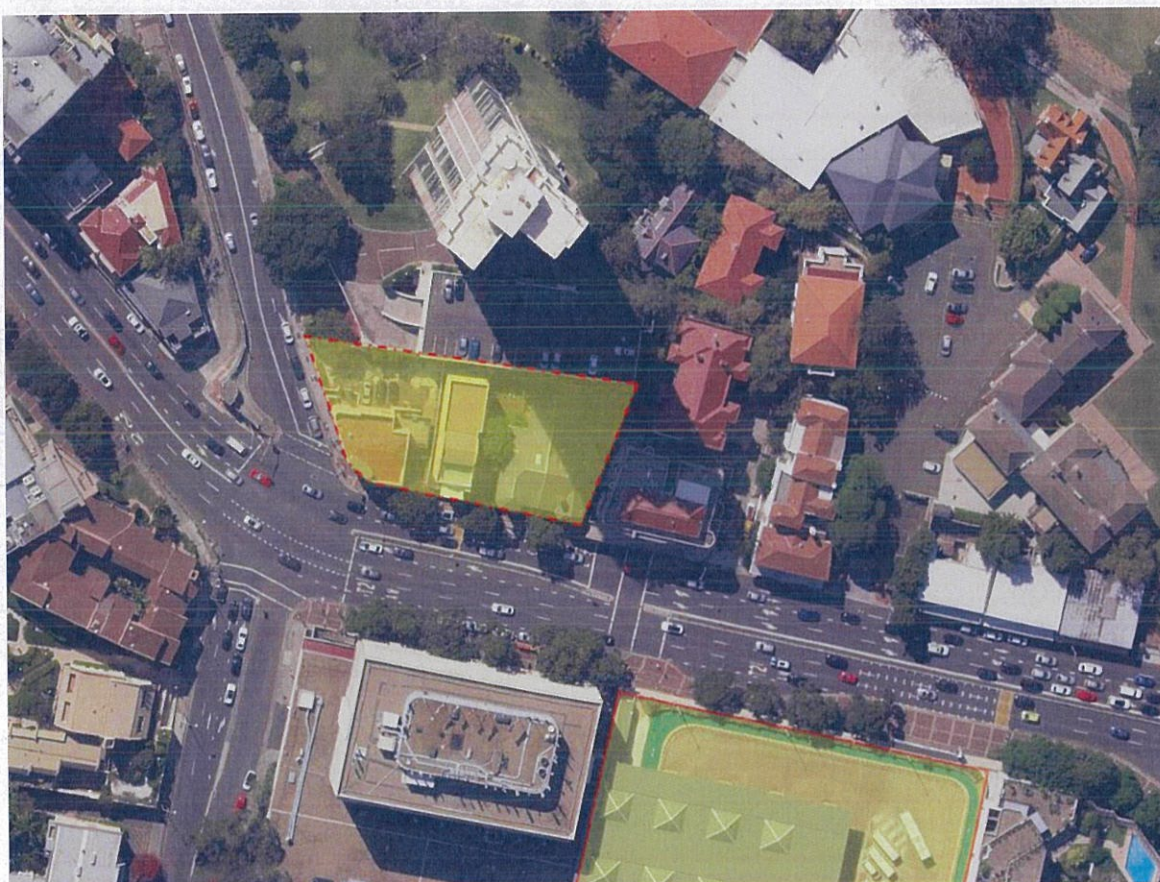
- Establishing the Base Case - Residual Land Value, we have considered the purchase price and have analysed relevant development site sales (expressed as \$/sqm of GFA) to assess the base case residual land value based on the current FSR of 1.5:1
- We have undertaken a residual land value analysis to determine the uplift in residual land value based on the proposed scheme which proposes a FSR of 4.99:1 and an increase in building height limit to 12 storeys.

# LAND VALUES

## 1.0 THE SUBJECT SITE

Below is a location map with the subject site indicated.

Figure 1: Location map with the subject site indicated



Source: SIXMaps 2021

Table 2: Site particulars

Item	
Consolidated land area	1,749sqm
Land description	An slightly irregular shaped parcel of land with a gradual downward slope in the general northerly direction.
Improvements	The site is improved with a two storey former bank building, three storey residential flat building, a semi-detached two storey commercial building and a two storey commercial building.

## 2.0 LAND VALUE UPLIFT ANALYSIS

Under Section 4.3 of Council's Planning Agreement Policy, adopted in February 2020, it prescribes the following which to relate to value capture:

- Council will seek to capture 50 per cent of land value uplift in connection with the planning proposal
- In negotiating a planning agreement which includes a land value capture component, the Council may vary the development contribution, including the monetary contribution, having regard to the effect of the contribution on:
  - the economic viability of a proposed development on the site
  - the particular attributes, conditions or location of the site
  - the type of proposed development
  - other circumstances that are identified.

### 2.1 Base case land value

The base case land value would be based on the existing planning controls and land constraints:

- Area: 1,746sqm
- Permissible Height (PH): 14.5metres
- Floor Space Ratio (FSR): 1.5:1
- Zoning: B4 Mixed Use
- Existing permissible GFA: 2,619sqm

### Establishment of rate

Market research was undertaken for recent development site sales in Edgecliff and the surrounding locality to set market parameters to assist with our value estimate regarding the base land value.

We have considered the site sales with comparability to be the subject property and are analysed below.

### Purchase price analysed

The subject site was purchased for \$35,500,000 which settled in August 2021. Given the current underlying FSR of 1.5:1 this purchase price shows a rate of **\$13,555/sqm of GFA** or **\$20,332/sqm of land area** without development consent.

### Sales Evidence of Development sites

There have been limited transactions in Edgecliff and the surrounding locality.

We have had primary regard to the sale of 80-84 & 90 New South Head Road & 9 & 15A Mona Road, Edgecliff which sold for \$25,000,000 in August 2020. The land encloses 1,511sqm with an underlying zoning of 'B4 Mixed Use' & 'R3 Medium Density Residential' and permissible FSR ranging from 1:1 to 2.9:1. Dated sale and sold with the benefit of DA consent. Proposed development for 40 units with a proposed GFA of 3,340sqm. The sale price equates to \$625,000/unit (incl. terraces) or \$7,485/sqm of GFA (incl. terraces). Inferior position along similar busy road frontage.

We had some regard to the sale of 11-13 Greenknowe Avenue, Elizabeth Bay and 50 Old South Head Road, Vaucluse which sold at a rate of \$9,650/sqm of GFA and \$10,015/sqm of GFA, respectively. These properties are considered to be in a superior location and are smaller-scale development projects. Therefore, a lower rate per sqm of GFA would be considered reasonable for the subject property.

### 2.1.1 Rationale

In broad terms suitable for this level of analysis the subject site's acquisition shows a rate of \$13,609/sqm of GFA which appears to include a premium for the amalgamation of the site.

We have had primary regard to the sale of 80-84 & 90 New South Head Road & 9 & 15A Mona Road, Edgecliff which shows a dollar rate on a GFA basis of \$7,485/sqm. After allowing for adjustments for date of sale, location, size, amenity, accessibility (pedestrian and vehicular) and natural light afforded by the site's characteristics. In addition, this sale similarly has the benefit of being partially improved as part of No. 136 is to be retained. We have adopted a market value rate of \$8,000/sqm of GFA.

**Base case land value = \$8,000/sqm of GFA x 2,619sqm = \$20,952,000 (rounded)**

## 2.2 Land value uplift (FSR increase)

### 2.2.1 Proposed scheme land value

The land value would be based on the following assumed changes in the planning controls and land constraints

- Area: 1,746sqm
- Proposed Height (PH): 66 metres or 12 storeys
- Floor Space Ratio (FSR): 4.99:1
- Zoning: B4 Mixed Use
- Gross Floor Area (GFA): 8,718sqm
- Value uplift of an additional **6,099sqm** of residential and non-residential GFA to be negotiated under a VPA.

### 2.2.2 Land value uplift by residual land value

For this level of analysis the direct comparison provides an insufficient indication of the land value uplift for the proposed Planning Proposal given the site sale rates analysed. The factors being:

- Heritage constraints and additional costs associated with adaptive re-use of the heritage item
- Higher proposed FSR
- Higher costs associated with the premium finish internally and to the façade to achieve design excellence
- The higher proportion of non-residential NLA (consisting of about 35%).

A development feasibility assessment was undertaken, using the Estate Master DF software, to better understand the development potential of the site.

### Hypothetical residential realisations

Based on our market research for 'off the plan' and established sales, we have determined the sale prices for the units on completion, assuming the level of finishes and fit-out are typical for this locality. Consideration has been given to the following factors:

- The assumed larger than average size of the living and external areas of individual units
- High to medium-rise lifted configuration where selected units on the upper level are afforded views to the north (Rushcutters Bay) and west (City skyline)

- Discussions with local agents have indicated that enquiries for 'off the plan' residential sales in this locality have improved greatly over the last few months as buyers are being priced out of the housing market and confidence have improved due to the vaccine rollout

We have determined average values for the hypothetical unit 'as if complete' as follows and have been adopted below in our feasibility model.

**Table 3: Average end sale revenue**

Typology	Proportion (%)	No. of units	NSA/NLA (sqm)	Average value (\$/unit)	\$/sqm of NSA/NLA
One bedroom	22%	9	56-63sqm	\$1,325,000	\$22,083
Two bedroom	44%	18	83-127	\$2,145,000	\$20,109
Three bedroom	29%	12	135-162	\$3,345,000	\$21,317
Penthouse	5%	2	294-317	\$6,468,000-\$6,974,000	\$22,000
Total residential units <sup>1</sup>	100%	41		-	-
Retail					\$22,500
Commercial					\$15,000

### Feasibility Modelling Assumptions and Projections

Construction cost and time estimates have been approximated by means of Rawlinsons Construction Handbook, some of the provided QS costings and our professional experience and are summarised as follows:

**Table 4: Feasibility inputs**

Inputs	
Description	12 storey mixed-use development 8,718sqm of GFA 41 residential units (includes 2 affordable housing units) 311sqm of commercial NLA (equates to 2 equivalent units based on average size of 150sqm) 2,299sqm of commercial NLA (equates to 15 equivalent units based on average size of 150sqm) Total number of units: 56 equivalent units(excludes 2 affordable housing units) 83 basement car parking
End sale revenue	Retail: \$22,500/sqm of NLA, exclusive of GST Commercial: \$15,000/sqm of NLA, exclusive of GST Residential (average): One bedroom: \$1,325,000, inclusive of GST (\$22,083/sqm of NSA) Two bedroom: \$2,145,000,000, inclusive of GST (\$20,109/sqm of NSA) Three bedroom: \$3,345,000, inclusive of GST (\$21,317/sqm of NSA) Penthouse: \$6,468,000 to \$6,974,000, inclusive of GST (\$22,000/sqm of NSA)
Professional Fees	Design and DA: 2% of Construction costs. Consultants 4% of Construction costs. Development Management 2% of project costs (excluding land, finance & tax).
Escalation	0% p.a.

<sup>1</sup> Includes affordable housing

**As per Rawlinson**

\$867,993 per equivalent unit (57)

	As per Rawlinson's and part QS costings:
	Demolition: \$1,000,000
Construction Costs (excl. of GST)	Commercial office construction: \$3,700/sqm of GBA (provided as a cold shell) Residential unit: \$4,200/sqm of GBA Basement car parking: \$75,000/car space Substation: \$500,000 Heritage restoration: \$2,350,000 Landscaping: 2% of construction costs
Construction Period	19 month construction period. We have allowed an 18 month lead-in period for development approval and an additional 3 months to secure pre-commitment for commercial and 60% pre-sales.
Contingency	5% of Construction Costs
Affordable housing	3% of all residential GFA (equivalent to a 1 x one and 1 x 2 bedroom apartments to be gifted to Council at no cost)
Statutory Fees	Monetary contribution: 3% of construction costs (as per the draft S7.12 rates and regional infrastructure contribution rate)
State Infrastructure Contributions (SIC)	Nil assumed in the models.
Selling Costs	Sales Commissions 2% of Gross Revenue Other Costs Marketing: 0.5% of Gross Revenue Legal: \$1,500 per equivalent yield
Land Holding Costs	Statutory costs (Council rates, water rates and land tax) to be paid diminishing with settlements based on a Statutory Land Value. Land tax is paid annually with the Council and water rates are paid quarterly in the cash flow.
Financing	
Equity	Assuming 20% of Net Cash Flow to be Funded by the developer.
Loan	6% per annum compounded.
Project Hurdle Rates	16% Target IRR and 18% Target DM was used for projections.

\*Excludes affordable housing



### 2.2.3 Results

We have completed our feasibility modelling based on the inputs and variables described above that show results tabulated below.

Table 5: Uplift in value results

Results	As per Rawlinson
Development margin	24.11%
Internal rate of return	16.02%
<b>Residual land value</b>	<b>\$33,050,000</b>
\$/equivalent unit	\$590,179
\$/GFA	\$3,791
Net Development Profit (\$/unit)	\$461,235

We assess the uplift value of the subject site based on the planning proposal to be **\$33,050,000, exclusive of GST, which equates to \$3,791/sqm of proposed GFA or \$590,179/equivalent unit.**

### 2.3 Development contribution calculation

Table 6: Development contribution calculation

	Value	\$/sqm of GFA
Base case land value	\$20,952,000	\$8,000
Land value uplift	<u>\$33,050,000</u>	\$3,792
Total estimate of land value capture	\$12,098,000	\$1,984
<b>Development contribution (50% of uplift)</b>	<b>\$6,049,000</b>	<b>\$992</b>

\*Based on the additional GFA from the base case

Based on the above calculations, we recommend a development contribution of \$6,049,000 which reflects a rate of **\$992/sqm of proposed additional GFA.**

Note that calculations, including land value uplift, are based on the assumptions outlined in this report. Where actual costs, for example local and regional infrastructure contributions, differ from assumed rates, this will affect the resultant land value uplift. If actual costs are higher than assumed costs the actual land value uplift would result in a lower value.

### 3.0 CONCLUSION

We have identified the following for the assessment of the public benefit contribution, being:


Market assessment of the subject as a development site (expressed as \$/sqm of GFA) where we have derived the Base Case to be \$20,952,000 and an uplift of land value of \$33,050,000 equating to a Developer's Contribution of \$6,049,000 (50% x uplift of land value).

This advice is provided within the VPA framework that is intended to create an opportunity for developers and Councils to reach an agreement to lower Council's costs for the provision of public services and infrastructure by granting density concessions to developers.

This land value uplift estimate is not intended to be a prescriptive outcome but rather to facilitate commercial negotiations within the VPA framework, which provides for voluntary negotiations within guidelines.

This assessment was completed as detailed herein with rationale contained within the body of this letter and sales evidence annexed.

Sincerely,



**Martin Hill**

*Director*

M.Real Estate (UNSW), M.Property  
Development (UTS), BSc (Hons), Certified  
Practicing Valuer (Unrestricted), FAPI, MRICS

[Martin.Hill@hillpda.com](mailto:Martin.Hill@hillpda.com)



**Catherine Huynh**

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## APPENDIX A : DEVELOPMENT SITES

### A.1 80-84 & 90 New South Head Road & 9 & 15A Mona Road, Edgecliff

An irregular shaped site with a moderate slope upward along Mona Road and a slight slope east to west along New South Head Road. Located at lighted intersection and approximately 550 metres west from Edgecliff railway station.

Improved at the time of sale to No. 80-84 New South Head Road with a circa 1985 built free-standing 3 level commercial building with basement parking. No. 90 New South Head Road known as 'Kimberly House' includes an older style 3 storey office building refurbished in 1997 while No. 9 and 15A Mona Road consist of two separate 2 storey terraces comprising of 4 bedrooms and 7 self-contained rooms, respectively. These are to be retained. An additional 6 parking spaces (Lots 13-18/SP83265) are situated within 100 New South Head Road which are within the adjacent building and also included within the sale of the site.

The improvements were leased at the time of sale returning a total net annual income of \$634,937.

The site sold with existing Development Consent (2/2017) for the construction of a part 4, part 7 storey building comprising 4 retail suites totalling 311sqm on the ground floor plus 36 apartments (7 x studio, 17 x one bedroom and 12 x two bedroom) & 2 shop top dwellings over basement parking for 27 vehicles using mechanical stacking, bike racks and motorbike spaces. 80-84 New South Head Road and 90 New South Head Road are to be demolished as part of the DA while 9 & 15A Mona Road are to be retained. For analysis purposes, we have treated the 4 retail tenancies as 3 equivalent units.

Sale price	\$25,000,000	
Sale date	August 2020	
Zoning	'B4 Mixed Use' & 'R3 Medium Density Residential' under the Woollahra Local Environmental Plan 2014	
FSR	2.9:1 & 1:1 (permissible). 2.31:1 (permissible overall) 2.12:1 (approved overall).	
Site area	1,511sqm (total area)	
GFA	3,495sqm (permissible GFA) 3,340sqm of GFA (approved)*	
Number of units	40 equivalent units	
DA status	Sold with approval	
Analysis	\$625,000/unit (40 equivalent units). \$7,485/sqm of GFA (3,340sqm) \$16,545/sqm of site area (1,511sqm)	

\*Includes 15A Mona Road, Edgecliff

## A.2 11-13 Greenknowe Avenue, Elizabeth Bay

Located approximately 450 metres from Elizabeth Bay Marina.


A slightly irregular shaped site with a slight cross slope and positioned on the southern alignment of Greenknowe Avenue and benefits from rear lane access via Baroda Lane.

Improved at the time of sale with the former CWA accommodation premises including 51 studio rooms and associated back of house and office facilities.

The site sold with a lapsed Development Consent for a change of use from existing club premises to a boarding house comprising 52 rooms, one caretaker room and associated back of house and office facilities. The incoming purchaser has advised they will not pursue this lapsed consent.

Subsequent to purchase a Development Application (D/2020/377) was approved for the demolition of the existing building and construction of a part 6, part 7 storey residential flat building comprising 30 apartments (5 x one bedroom, 11 x two bedroom and 14 x three bedroom units) over a single level of basement car parking.

The site was sold jointly by CBRE & Ray White Commercial NSW via option in November 2019 after an Expressions of Interest campaign and which exchanged in November 2020 after a delayed 12-month lead-in period. Sold for \$35,750,000 including GST. The sale settled in January 2021 according to RP Data records.


Sale price	\$32,500,000	
Sale date	November 2020	
Zoning	'R1 General Residential' under the Sydney Local Environmental Plan 2012	
FSR	2.5:1 (permissible).	
Site area	1,347sqm of land area	
GFA	3,368sqm of GFA (permissible).	
Number of units	30 units	
DA status	Sold with lapsed approval	
Analysis	\$1,083,333/unit (30).	
	\$9,650/sqm of GFA (3,368sqm). \$24,128/sqm of site area (1,347sqm).	

### A.3 50 Old South Head Road, Vaucluse

Located along a busy main road and approximately 1.3 kilometres north from retail amenities along Old South Head Road, Rose Bay.

A generally rectangular shaped site comprising of a slight cross fall and improved at the time of sale with on older style residential flat building.

Sold with existing Development Consent (428/2019) under existing use rights for demolition of the existing residential flat building & ancillary structures and the construction of a new residential flat building consisting of 8 home units (2 x one bedroom, 3 x two bedroom and 3 x three bedroom) over a single level of basement car parking.

Sale price	\$6,700,000	
Sale date	May 2021	
Zoning	'R2 Low Density Residential' under the Woollahra Local Environmental Plan 2014	
FSR	0.83:1 (permissible).	
Site area	806sqm of land area	
GFA	669sqm of GFA (approved).	
Number of units	8 units	
DA status	Sold with approval	
Analysis	\$837,500/unit (8 units)	
	\$10,015/sqm of GFA (669sqm) \$8,313/sqm of site area (806sqm)	

## APPENDIX B : OFF THE PLAN AND ESTABLISHED SALES

This section provides an assessment of 'off-the-plan' sales and resales of established residential apartments within Edgecliff, Elizabeth Bay and Bondi Junction. The information was obtained through various property data sources and confirmed through discussions with local agents.

### B.1 'Munro', 11-13 Greenknowe Avenue, Elizabeth Bay

#### 'Munro', 11-13 Greenknowe Avenue, Elizabeth Bay

Type	Sale price range	Internal areas (sqm)	\$/sqm of NSA
One bedroom	\$1,500,000-\$1,800,000	57-64	\$26,316-\$28,125
Two bedroom	\$2,200,000	84-85	\$25,882-\$26,190
Three bedroom	\$3,950,000 - \$4,250,000	124-144	\$29,514-\$31,855
Three bedroom penthouse	\$8,500,000	172	\$49,419

Proposed project of 5 storey residential apartment building comprising 30 apartments (5 x 1, 11 x 2, 14 x 3 bedroom) including whole floor penthouse with 124sqm terrace & plunge pool. Built over a single level of basement car parking for 31 vehicles.

Conversations with the selling agent has indicated that the marketing campaign commenced in April 2021 and approximately 83% of the units have been sold. This shows a sale rate of 3.6 units per month. Notably this sales rate was partly during the COVID 19 lockdown.

### B.2 'Kimberley Court', 2 Darling Point Road, Edgecliff

#### 'Kimberley Court, 2 Darling Point Road, Edgecliff

	Sale Date	Sale Price	NSA (sqm)	\$/sqm
<b>Three bedroom</b>				
Lot 3 (2 car)	04/21	\$2,500,000	142	\$17,606
Lot 7 (2 car)	11/21	\$2,700,000	156	\$17,308

A circa 1990 built 8 storey lifted residential unit building containing 29 home units with detached above ground car park and common pool and entertaining terrace.

Features and finishes include semi/fully integrated appliances, stone bench tops, marble detailed bathrooms, open plan living and dining, internal laundry with clothes dryer, balcony and secure car parking. The complex provides an outdoor swimming pool.

Located at the western fringe of the Edgecliff commercial centre with railway and bus interchange and in a high set position affording CBD skyline views.

### B.3 'Bondi Central', 109 Oxford Street, Bondi Junction

'Bondi Central', 109 Oxford Street, Bondi Junction				
	Sale Date	Sale Price	NSA (sqm)	\$/sqm
<b>One bedroom</b>				
Lot 108	08/21	\$1,000,000	50	\$20,000
Lot 47	07/21	\$1,050,000	50	\$21,000
Lot 96	07/21	\$1,050,000	50	\$21,000
Lot 91	03/21	\$1,010,000	50	\$20,200
Lot 94	02/21	\$1,000,000	50	\$20,000
Lot 57	08/20	\$1,020,000	50	\$20,400
Lot 100	07/20	\$1,000,000	50	\$20,000
Lot 11	02/20	\$905,000	50	\$18,100
Lot 110	02/20	\$1,175,000	52	\$22,596
Lot 39	02/20	\$1,100,000	51	\$21,569
<b>Two bedroom</b>				
Lot 107	12/20	\$1,550,000	74	\$20,946
Lot 69	05/20	\$1,500,000	77	\$19,481
Lot 55	02/20	\$1,600,000	76	\$21,053

A circa 2019 built 14 storey lifted mixed-use complex comprising 86 home units with ground floor retail over basement parking.

Features and finishes include open plan lounge, dining and living area with timber floors, Caesarstone kitchen benchtop, live stainless steel appliances, ducted air-conditioning, storage, intercom and secure car parking.

The complex comprising a rooftop garden with views of the City skyline.

Located on along Oxford street approximately 250 metres west from Bondi Junction railway station.

#### B.4 'Grand', 73-89 Ebley Street, Bondi Junction

'Grand', 73-89 Ebley Street, Bondi Junction				
	Sale Date	Sale Price	NSA (sqm)	\$/sqm
<b>One bedroom + study</b>				
Lot 11	03/21	\$985,000	53	\$18,585
Lot 19	03/21	\$1,250,000	53	\$23,585
Lot 4	06/20	\$1,050,000	51	\$20,588
Lot 10	06/20	\$1,130,000	53	\$21,321
Lot 24	05/20	\$880,000	53	\$16,604
Lot 13	04/20	\$1,065,000	55	\$19,364
<b>Two bedroom</b>				
Lot 23	05/21	\$1,500,000	73	\$20,548
Lot 22	03/21	\$1,425,000	74	\$19,257
Lot 27	02/21	\$1,440,000	73	\$19,726
Lot 36	12/20	\$1,400,000	73	\$19,178
Lot 18	11/20	\$1,500,000	77	\$19,481

A circa 2019 built 4 storey lifted mixed-use complex comprising 39 home units with ground floor retail (Grand Hotel) over basement parking.

Features and finishes include open plan lounge, dining and living area with timber floors, floor to ceiling glass, built-in wardrobes, gas cooking with stone bench top and splash back, master bedroom with ensuite and terrace access, Miele kitchen appliances, internal laundry and ducted air-conditioning. Garden terrace at ground level with BBQ facilities.

Located within Bondi Junction on the edge of Westfield's retail and entertainment precinct and approximately 300 metres south from Bondi Junction railway station and bus interchange.

The above sales are the most recently settled sales in the complex.



## APPENDIX C : NON-RESIDENTIAL SALES

Address	Type	Sale price Sale date	NLA(sq <sup>m</sup> )	Analysis
<b>Strata titled</b>				
1/85-97 New South Head Road Edgecliff	Office	\$1,320,000 Oct-21	156	\$8,462/sqm NLA
29/100 New South Head Road Edgecliff	Office	\$500,000 Jull-21	59	\$8,475/sqm NLA
Shop 2, 161 New South Head Road, Edgecliff	Office/retail	\$2,075,000 Aug-21	272	\$7,629/sqm NLA
204/46A Macleay Street Elizabeth Bay	Office	\$900,000 Jul-21	65	\$13,846/sqm NLA
Ground floor, 37-41 Bayswater Road, Potts Point	Retail	\$2,150,000 Nov-21	128	\$16,797/sqm NLA
Woolworths Metro Supermarket, 113 Darlinghurst Road, Potts Point	Retail	\$14,350,000 Oct-21	1,313	\$10,929/sqm NLA



Edgecliff Central Pty Limited  
 Land value uplift - 3% AFH ALL residential GFA  
 FSR 4.99:1



Licensed to: Hill PDA Pty Ltd

Time Span:	Dec-21 to Jan-26 (49 Months)		
Type:	Miscellaneous		
Status:	Under Review		
Site Area:	1,746 SqM		
FAR:	4.99:1	Equated GFA:	8,718.00 SqM
Project Size:	56 Units	1 per 31.17 SqM of Site Area	
	8,718 GFA	1 per 0.2 SqM of Site Area	

	Quantity	SqM	AUD/Quantity	Total AUD	AUD Per Unit	AUD Per GFA	% of Total Net Costs	Total Exc GST
<b>Revenues</b>								
<b>Gross Sales Revenue</b>	41	2,610.00	3,466,573.17	142,129,500	2,538,027	16,303	137.6%	132,979,773
Residential - 1 Bedroom Units	8	-	1,325,000.00	10,600,000	-	-	-	9,636,364
Residential - 2 Bedroom Units	17	-	2,145,000.00	36,465,000	-	-	-	33,150,000
Residential - 3 Bedroom Units	12	-	3,345,000.00	40,140,000	-	-	-	36,490,909
Penthouse	2	-	6,721,000.00	13,442,000	-	-	-	12,220,000
Commerical Office	-	2,299.00	-	34,485,000	-	-	-	34,485,000
Retail Shops	-	311.00	-	6,997,500	-	-	-	6,997,500
Affordable Housing	2	-	-	-	-	-	-	-
Less Selling Costs				(3,886,884)	(69,409)	(446)	-3.8%	(3,533,531)
Less Purchasers Costs				-	-	-	0.0%	-
<b>NET SALES REVENUE</b>				<b>138,242,616</b>	<b>2,468,618</b>	<b>15,857</b>	<b>133.9%</b>	<b>129,446,241</b>
<b>Costs</b>								
Gross Rental Income				-	-	-	0.0%	-
Less Outgoings & Vacancies				-	-	-	0.0%	-
Less Letting Fees				-	-	-	0.0%	-
Less Incentives (Rent Free and Fitout Costs)				-	-	-	0.0%	-
Less Turnover Costs				-	-	-	0.0%	-
Less Other Leasing Costs				-	-	-	0.0%	-
<b>NET RENTAL INCOME</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>
Interest Received				-	-	-	0.0%	-
Other Income				-	-	-	0.0%	-
<b>TOTAL REVENUE (before GST paid)</b>				<b>138,242,616</b>	<b>2,468,618</b>	<b>15,857</b>	<b>133.9%</b>	<b>129,446,241</b>
Less GST paid on all Revenue				(9,149,727)	(163,388)	(1,050)	-8.9%	-
<b>TOTAL REVENUE (after GST paid)</b>				<b>129,092,888</b>	<b>2,305,230</b>	<b>14,808</b>	<b>125.0%</b>	<b>129,446,241</b>
Land Purchase Cost				33,050,000	590,179	3,791	32.0%	33,050,000
Land Acquisition Costs				2,344,878	41,873	269	2.3%	2,336,615
<b>Construction Costs (inc. Contingency)</b>				<b>57,144,314</b>	<b>1,020,434</b>	<b>6,555</b>	<b>55.3%</b>	<b>51,949,376</b>
Other Construction Costs				54,423,156	971,842	6,243	52.7%	49,475,596
Contingency				2,721,158	48,592	312	2.6%	2,473,780
Professional Fees				4,744,562	84,724	544	4.6%	4,313,238
Statutory Fees				1,731,646	30,922	199	1.7%	1,731,646
Strata bond				1,038,988	18,553	119	1.0%	1,038,988
Land costs				1,142,886	20,409	131	1.1%	1,038,988
Miscellaneous Costs 3				-	-	-	0.0%	-
Project Contingency (Reserve)				-	-	-	0.0%	-
Land Holding Costs				937,801	16,746	108	0.9%	937,801
Pre-Sale Commissions				-	-	-	0.0%	-
Finance Charges (inc. Fees)				210,000	3,750	24	0.2%	210,000
Interest Expense				7,010,411	125,186	804	6.8%	7,010,411
<b>TOTAL COSTS (before GST reclaimed)</b>				<b>109,355,484</b>	<b>1,952,776</b>	<b>12,544</b>	<b>105.9%</b>	<b>103,617,061</b>
Less GST reclaimed				(6,091,776)	(108,782)	(699)	-5.9%	-
<b>TOTAL COSTS (after GST reclaimed)</b>				<b>103,263,708</b>	<b>1,843,995</b>	<b>11,845</b>	<b>100.0%</b>	<b>103,617,061</b>
<b>Performance Indicators</b>								
<sup>1</sup> Net Development Profit				25,829,180	461,235	2,963		
<sup>3</sup> Development Margin (Profit/Risk Margin)			Based on total costs (inc selling costs)	24.11%				
<sup>4</sup> Residual Land Value			Based on Target Margin of 18% (Exclusive of GST)	37,441,047	668,590	4,295		37,441,047
<sup>5</sup> Net Present Value			Based on Discount Rate of 10% p.a. Effective	29,767				
<sup>6</sup> Benefit Cost Ratio				1,0004				
<sup>7</sup> Project Internal Rate of Return (IRR)			Per annum Effective	16.02%				
<sup>8</sup> Residual Land Value			Based on NPV (Exclusive of GST)	33,078,701	590,691	3,794		33,078,701
Equity IRR			Per annum Effective	24.53%				
Equity Contribution				19,250,659				
Peak Debt Exposure				84,757,413				
Equity to Debt Ratio				24.62%				
<sup>9</sup> Weighted Average Cost of Capital (WACC)				8.37%				
<sup>10</sup> Breakeven Date for Cumulative Cash Flow		Month 43		Jul-2025				
<sup>11</sup> Yield on Cost				0.00%				
<sup>12</sup> Rent Cover				N.A.				
<sup>13</sup> Profit Erosion				N.A.				

Footnotes:  
 1. Development Profit: is total revenue less total cost including interest paid and received  
 2. Note: No redistribution of Developer's Gross Profit  
 3. Development Margin: is profit divided by total costs (inc selling costs)  
 4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin  
 5. Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.  
 6. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.  
 7. Internal Rate of Return: is the discount rate where the NPV above equals Zero.  
 8. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.  
 9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.  
 10. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).  
 11. Yield on Cost is Current Net Annual Rent divided by Total Costs (before GST reclaimed), including all Selling Costs.  
 12. The total net development profit divided by the current net annual rental expressed as a number of years/months.  
 13. The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.



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## Dennis Meyer

---

**From:** Richard Pearson <Richard.Pearson@woollahra.nsw.gov.au>  
**Sent:** Friday, 11 March 2022 10:28 AM  
**To:** Dennis Meyer  
**Cc:** Andrew Boyarsky; brett@inghamplanning.com.au; Armodee Reece; Tom O'Hanlon  
**Subject:** RE: Proposed VPA 136-148 New South Head Rd, Edgecliff  
**Attachments:** (220309) CBRE - WMC Edgecliff Site Analysis (DRAFT) - Issued.pdf

Hi Dennis

Attached please find report from CBRE who were engaged by Council to review the Hill PDA residual land value analysis.

Once you and your team have had a chance to review and consider the CBRE report, I am happy to arrange a meeting.

I will ask Armodee to make contact with you next week to arrange a suitable time.

Regards

Richard



**Richard Pearson**  
**Development Manager – Strategic Properties**

Woollahra Municipal Council  
536 New South Head Road, Double Bay NSW 2028

**e:** [Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au) **w:** [www.woollahra.nsw.gov.au](http://www.woollahra.nsw.gov.au)

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*We acknowledge the Gadigal and Birrabirragal people as the traditional custodians of the land in our local area.*



**From:** Dennis Meyer <DennisM@ankaproperty.com>  
**Sent:** Tuesday, 8 March 2022 10:21 AM  
**To:** Richard Pearson <Richard.Pearson@woollahra.nsw.gov.au>  
**Cc:** Andrew Boyarsky <AndrewB@ankaproperty.com>; brett@inghamplanning.com.au; Armodee Reece <Armodee.Reece@woollahra.nsw.gov.au>; Paul Fraser <Paul.Fraser@woollahra.nsw.gov.au>  
**Subject:** RE: Proposed VPA 136-148 New South Head Rd, Edgecliff

Richard,

We were just wondering how the independent review of the submitted Residual Land Value Analysis was progressing and if you had any updates for us re our negotiations.

**DENNIS MEYER**

**ANKA PROPERTY GROUP**

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**From:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Sent:** Monday, 24 January 2022 12:39 PM  
**To:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; [brett@inghamplanning.com.au](mailto:brett@inghamplanning.com.au); Armodee Reece <[Armodee.Reece@woollahra.nsw.gov.au](mailto:Armodee.Reece@woollahra.nsw.gov.au)>; Paul Fraser <[Paul.Fraser@woollahra.nsw.gov.au](mailto:Paul.Fraser@woollahra.nsw.gov.au)>  
**Subject:** RE: Proposed VPA 136-148 New South Head Rd, Edgecliff

Thanks Dennis.

I will arrange to have the report independently reviewed and be in touch. Please note that as per Council's VPA Policy the cost of Council's independent review is to be met by the proponent – please refer clause 4.3 of Council's policy.

Regards

Richard



**Richard Pearson**  
**Development Manager – Strategic Properties**

Woollahra Municipal Council  
536 New South Head Road, Double Bay NSW 2028

**e:** [Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au) **w:** [www.woollahra.nsw.gov.au](http://www.woollahra.nsw.gov.au)

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*We acknowledge the Gadigal and Birrabirragal people as the traditional custodians of the land in our local area.*

---

**From:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>  
**Sent:** Monday, 24 January 2022 10:05 AM  
**To:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; [brett@inghamplanning.com.au](mailto:brett@inghamplanning.com.au); Armodee Reece <[Armodee.Reece@woollahra.nsw.gov.au](mailto:Armodee.Reece@woollahra.nsw.gov.au)>; Paul Fraser <[Paul.Fraser@woollahra.nsw.gov.au](mailto:Paul.Fraser@woollahra.nsw.gov.au)>  
**Subject:** RE: Proposed VPA 136-148 New South Head Rd, Edgecliff

# Anka Property Group Review of Feasibility Analysis Outcomes

136-148 New South Head Road,  
Edgecliff, NSW 2027

**CONFIDENTIAL DRAFT**

9<sup>th</sup> of March 2022

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Given the limitations of our analysis, the report should only be one input into, and not be relied upon solely, for any decision regarding the market process. This Report is not and does not purport to be a formal valuation of any subject property and should not be relied upon as such.



# Content

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Executive Summary  
Site Overview

## **2. Market Analysis**

Comparable Development Site Transactions  
Residential Apartment Market Comparables

## **3. Review of Hill PDA's Feasibility Analysis**

Feasibility Assumptions Evaluation

# Executive Summary

## Land Values – Analysis Outcomes

- Based upon comparable market evidence, we estimate the land value of the Site on an ‘as is’ basis with current planning controls is in the range **\$20.95m to \$23.57m**.
- This equates to land value range of **\$8,000/sqm to \$9,000/sqm** for permissible GFA. The Consultant’s land value estimate on an ‘as is’ basis falls within this range, albeit at the lower end.
- Subject to detailed feasibility analysis, CBRE analysis indicates a similar land value range per sqm GFA would apply to the Site post-rezoning (i.e. \$8,000/sqm to \$9,000/sqm). On this basis and assuming permissible GFA of 8,830sqm (proposed scheme seeking 5.0:1 FSR), we estimate the Site could yield **\$70.64m - \$79.47m** on an ‘as-if rezoned’ basis.
- The Consultant’s report estimates a post rezoning residual land value for the Site of **\$33.05m** equating to a rate of \$3,792/sqm of permissible GFA (under the Proponent’s proposed scheme). This is considerably below market evidence for development site transactions in Edgecliff and surrounding suburbs including Potts Point, Rose Bay, and Double Bay.
- In this context, we recommend further discussion with the Proponent to understand any potential constraints that may be significantly impacting land value relating to this Property relative to other market comparable transactions (including the Proponent’s acquisition of the Site which reflected a significant premium to market).

## Feasibility Analysis - Review

- Gross realisation assumptions within HillPDA feasibility analysis appear conservative, which would impact their residual land value outcome. CBRE’s market analysis for residential unit developments indicates that an average gross realisable value for the project could be in the vicinity of \$25,000/sqm NSA to \$27,500/sqm NSA, in particular, noting potential city/water views from upper levels of this project in an ‘as-if-rezoned’ scenario.
- The Proponent’s feasibility analysis adopts an average unit sale rate in the vicinity of \$20,000/sqm NSA to \$23,000/sqm NSA.
- In this regard, we note the Proponent’s post rezoning land value estimate is significantly below market evidence for development site transactions in the area..
- Aside from residential GR estimates, subject to more detailed analysis, the remaining feasibility assumptions adopted by the Proponent appear to be within a reasonable range based upon a cursory review and benchmarks available to CBRE.
- Compared to CBRE benchmarking of similar mixed use development projects, the Project IRR of 16% and pre-finance development margin of 24.2% appear to be within a reasonable range for a project of this nature and scale.

Item	Proponent	CBRE
Proponent land acquisition value (historic)	\$35.50m	n/a
‘As-is’ value estimate	\$20.952m	\$20m to \$24m
‘As-if rezoned’ value estimate	\$33.05m	\$70m - \$80m

# Background

## Context

- CBRE has been engaged by Woollahra Municipal Council (Council) to provide an independent peer review of Hill PDA Consulting's Feasibility Analysis of 136-148 New South Head Road, Edgecliff (**Site**).
- We understand that Council are seeking guidance as to the reasonableness of the analysis to ascertain an indicative pre and post rezoning value of the Site to support VPA negotiations with Anka Property Group (**Proponent**).
- The Proponent has submitted a planning proposal to Council to redevelop the Site into 41 residential apartments, 311sqm of retail floorspace, and 2,299sqm of commercial floorspace.
- As part of Council's VPA policy, a monetary contribution may be payable by the developer to Council relating to a 'value uplift' in land values.
- The Proponent is contending Council's VPA policy stating that the 'value uplift' requirements are contrary to DPIE's demonstrated position on value capture in relation to planning proposals of new developments. Consideration of this matter is outside of the scope of CBRE's engagement.
- We note that CBRE has not been provided with detailed designs or floorplans in relation to either an 'as-is' or 'as-if-rezoned' development of the Site, and as-such, our analysis is based upon broad planning framework assumptions and is necessarily subject to further more detailed analysis upon receipt of detailed plans and other consultant input.

## Scope of Services

- Market Analysis of comparable development site sale transactions and residential apartment sales in Edgecliff and relevant comparable suburbs.
- Cursory review of Hill PDA's feasibility analysis as supplied by Council, with regard to key assumptions and conclusions reached by the Proponent's consultant.
- Comment on the reasonableness of market assumptions that drive the outcomes of the Feasibility Analysis.
- Apply the outcomes of our independent review to provide an indicative site appraisal on a 'as-is' and post rezoning (assuming Proponent's proposed development scheme) basis.

## Limitations

- The advice contained within this report does not constitute a formal valuation of the Property and our advice is based on information provided by Council or the Proponent unless stated otherwise. The advice herein is subject to all content, issues, assumptions, disclaimers, qualifications, and recommendations throughout. This consultancy advice may only be relied upon by Council for the purpose for which we were engaged.
- This confidential document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than the above mentioned is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

# Site Overview

## 136-148 New south Head Road, Edgecliff

We understand the Proponent acquired the Site in 2020-2021 in four separate lots with the intent of amalgamating the lots and redeveloping into a mixed use project comprising residential, retail, and commercial floorspace.

The Site is situated at 136-148 New South Head Road, Edgecliff. New South Head Road is a key arterial road for the eastern suburbs of Sydney.

The Site is adjacent to Edgecliff Station and currently has residential and commercial improvements. Located in an elevated position, we have assumed a residential development would benefit from City / water views in particular at the upper levels of the project.

Item	Description	
Address	136-148 New South Head Road, Edgecliff	
Lot Plan	1/DP663495, 1/DP1092694, A/DP443992 B/DP443992,	
Land Area	1,766sqm	
Planning Assumptions	Current Planning Framework	Proponent's Proposed Development Scheme
Zoning	B4 Mixed Use	B4 Mixed Use
Floor Space Ratio (FSR)	1.5:1	4.99:1
Permissible Gross Floor Area (GFA)	2,649sqm	8,716sqm
Building Height	14.5m	12 storeys (height not specified)

Proponent's Site Purchase Summary	
Site Purchase Price	\$35.50m (purchased in 4 transactions between May-20 & Aug-21)
Purchase Price (\$/GFA) (with current permissible FSR)	\$13,401/sqm GFA
Purchase Price (\$/Land Area)	\$20,102/sqm Land Area



2

# Market Analysis

# Land Values - Key takeaways and comparison

## Site Appraisal Outcomes

### CBRE

#### Land Value (as-is):

- CBRE estimate a rate per square metre of permissible GFA for the Site (based on comparable sales evidence) of: \$8,000/sqm - \$9,000/sqm.
- Total 'as-is' value assuming permissible GFA of 2,649sqm: **\$20m - \$24m**

#### Land Value (post rezoning):

- Assuming 5.0:1 FSR, equivalent to 8,830sqm developable GFA (as per Council's notes);, the total 'as-if rezoned' value is estimated at approximately: **\$70m - \$80m**
- Value assumes Proponent' has paid land value uplift development contribution associated with VPA prior to gazettal.

### HillPDA Consulting

#### Land Value (as-is):

- Assumed rate per square metre of permissible GFA: \$8,000/sqm
- Total value assuming permissible GFA of 2,619sqm: **\$20.95m**

#### Land Value (post rezoning):

- The Proponent's Consultant has performed a residual land value analysis where they have stated that the land value under an 'uplift scenario' to be **\$33.05m**.
- This is equivalent to a rate of \$3,792/sqm of permissible GFA assuming the developable GFA of 8,719sqm (as per Consultant's report)

## Key Takeaways

- HillPDA adopted value for the 'as-is' scenario is at the lower end of CBRE's indicative value estimate.
- HillPDA have adopted a post rezoning value which appears to be significantly below development site sales comparable market evidence.
- We consider 80-84 & 90 New South Head Road and 488-492 Old South Head Road as leading indicators of land value for the Site. Both of these comparable sites have similar land area to the subject Site and are located along arterial roadways.
- We also note the additional height gained through the planning proposal should positively support gross realisation values for residential units in an 'as-if-rezoned' scenario relative to an 'as-is' planning framework scenario.
- Gross realisation assumptions within HillPDA feasibility analysis appear conservative, which would impact their residual land value outcome. CBRE's market analysis for residential unit developments indicates that an average gross realisable value for the project could be in the vicinity of \$25,000/sqm NSA to \$27,500/sqm NSA, in particular, noting potential city/water views from upper levels of this project in an 'as-if-rezoned' scenario.
- The Proponent has not provided the operating model for the residual land value analysis nor detailed plans for the project, hence, we are unable to comment on the integrity of the outputs and outcomes are subject to further more detailed feasibility analysis.



### 136-148 New South Head Road

- For the purpose of comparison, we have included the Proponent's transaction of the Site.
- The Proponent has stated that they paid above market rates for the acquisition of the Site being a premium for site amalgamation.
- The Site did not have development consent at the time of acquisition.
- Heritage constraints exist on parts of the Site.

<b>Suburb</b> Edgecliff	<b>Sale Date</b> Aug-21
<b>Land Area</b> 1,766sqm*	<b>Sale Price</b> \$35,500,000
<b>Zoning</b> B4 Mixed Use	<b>Sale Rate</b> \$13,401/sqm GFA
<b>FSR</b> 1.5:1	<b>Proposed Units</b> 56 equivalent units
<b>GFA</b> 2,649sqm*	<b>Land Value per unit</b> \$0.87m/unit

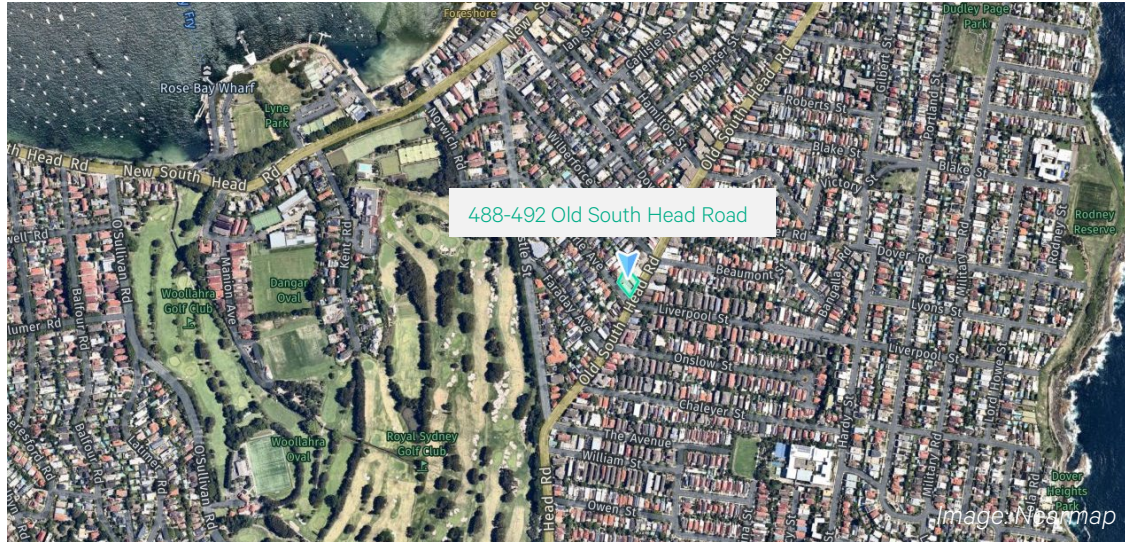
\* Land area as noted by Council in their review of the Feasibility Analysis is 1,766sqm. Hill PDA has prescribed land area of 1,746sqm. For our analysis, we have adopted Council's advice.

### 80-84 & 90 New South Head Road & 9 & 15A Mona Road

- Key comparable transaction to the Proponent's Site due to proximity, size, and nature of proposed scheme.
- The site was sold with existing Development Consent (DA 2/2017) for the construction of a part 4 and part 7 storey building comprising 4 retail suites and 36 residential units, as well as basement parking. CBRE has reviewed the DA to determine the proposed GFA for the site.
- The site was acquired by Fortis group, an established developer of luxury residential apartments in Sydney's eastern suburbs.

<b>Suburb</b> Edgecliff	<b>Sale Date</b> Aug-20
<b>Land Area</b> 1,065sqm**	<b>Sale Price</b> \$24,500,000
<b>Zoning</b> B4 Mixed Use**	<b>Sale Rate</b> \$7,934/sqm GFA
<b>FSR</b> 2.9:1**	<b>Proposed Units</b> 24 residential units + 388sqm retail GFA
<b>GFA</b> 3,088sqm**	<b>Land Value per unit</b> \$1.02m/unit

\*\* Refers to DA 2/2017 stamped plans dated 30 Sept 2021.



#### 488-492 Old South Head Road

- Part of Caltex's portfolio divestment, we understand the site was purchased by Fabcot, the development arm of Woolworths Group.
- DA has not been submitted for the site, however, we anticipate that a mixed use development will be proposed.
- The site is located along a key arterial road for the eastern suburbs, and is adjacent to neighbourhood retail & commercial properties on street front, and residential units above ground level.
- This site and the subject site have similar amenity, albeit considerably different development potential due to the lower FSR of the comparable property (assuming the proposed scheme is approved).

##### Suburb

Rose Bay

##### Land Area

1,561sqm

##### Zoning

B4 Mixed Use

##### FSR

1.5:1

##### GFA

2,342sqm

##### Sale Date

Dec-19

##### Sale Price

\$21,000,000

##### Sale Rate

\$8,969/sqm GFA

##### Proposed Units

16 units assuming  
150sqm GFA/unit

##### Land Value per unit

\$1.31k/unit

#### 491 New South Head Road

- DA approved sale for development of 8 residential apartments, and 845sqm developable GFA.
- Located in superior position to the subject property, and considerably smaller site area and potential development yield.
- The site is approximately 1.1km east of the subject Site.
- Neighbouring properties are older style walk apartment buildings up to 4 storeys.
- Proposed development (DA373/2021/1) to comprise 5 storey residential apartment building including 8 dwellings and basement carpark.
- Superior R3 zoning enables residential development to the ground floor. As such, we anticipate a lower rate per sqm GFA for the subject property.

##### Suburb

Double Bay

##### Land Area

655sqm

##### Zoning

R3 Medium Density  
Residential

##### FSR

1.3:1

##### GFA

845sqm

##### Sale Date

May-21

##### Sale Price

\$8,800,000

##### Sale Rate

\$10,411/sqm GFA

##### Proposed Units

8 residential units

##### Land Value per unit

\$978k/unit



# Marmont – 319 New South Head Road

Sale Rate:  
\$27,500 - \$32,500/sqm  
Superior location, presold c. 2019

- Boutique luxury residential apartment building completed in 2021 and developed by Fortis Group.
- Development is located in a super position relative to the subject property being close to the heart of Double Bay which commands a price premium.
- The development is smaller scale with larger floor plates across two and three bed units appealing to downsizer and young family markets that are prominent in the area.
- We do not expect the proposed scheme will achieve this level of average sale rate as the proposed development scheme is considered to be in an inferior location with a greater level of impact from New South Head Road traffic / noise on lower level units.

Marmont - 319 New South Head Road, Double Bay NSW 2028					
Beds	Car	Sample Count	Avg. NSA	Avg. Sale Rate (\$/sqm NSA)	Avg. Unit Price
2	2	4	93	\$29,997/sqm	\$2.80m
3	2	3	133	\$25,369/sqm	\$3.38m

Unit #	NSA (sqm)	Bedrooms	Bath	Car	Sale Price	Sale Date	Sale Rate (\$/sqm NSA)
4	156	3	3	2	\$2.22m	22-Nov-21	\$14,245/sqm
2	87	2	2	2	\$2.89m	25-Oct-21	\$33,206/sqm
3	99	2	2	2	\$2.75m	30-Jul-21	\$27,778/sqm
1	87	3	2	2	\$3.10m	17-Jun-21	\$35,632/sqm
5	99	2	2	2	\$2.80m	16-Jun-21	\$28,283/sqm
8	156	3	2	2	\$4.80m	5-May-21	\$30,769/sqm
7	88	2	2	2	\$2.75m	4-May-21	\$31,250/sqm

Source: RPData

# Elements – 240 New South Head Road

Sale Rate:  
\$17,500 - \$19,500/sqm  
aged stock, presold 2016

- Residential apartment build over 5 storeys comprising one, two, and three bedroom units.
- Unique corner site that was approved for 4.0:1 FSR. Surrounding properties have FSR restrictions of 1.3:1 and 2.0:1 on the opposing side of New South Head Road.
- The building is located 260m east of the subject site and benefits from similar access to retail offerings and public transport.
- Most recent sales of 1 & 2 bedroom units in the range \$16,500-\$18,000/sqm depending largely on whether the unit has a car space.
- Proposed development scheme expected to achieve comparably higher sale range.
- We anticipate the subject project to trade at a premium to this comparable noting pre-sales for the comparable we transacted in 2016 and hence is considered aged.

Elements - 240 New South Head Road, Edgecliff NSW 2027						
Beds	Car	Sample Count	Avg. NSA	Avg. Sale Rate (\$/sqm NSA)	Avg. Unit Price	
1	-	6	51	\$17,354/sqm	\$0.89m	
1	1	3	52	\$19,615/sqm	\$1.02m	
2	-	1	105	\$17,619/sqm	\$1.85m	
2	1	1	105	\$17,143/sqm	\$1.80m	
3	2	1	107	\$28,972/sqm	\$3.10m	

Unit #	NSA (sqm)	Bedrooms	Bath	Car	Sale Price	Sale Date	Sale Rate (\$/sqm NSA)
9	52	1	1	1	\$0.94m	14-Oct-21	\$17,981/sqm
6	52	1	1	-	\$0.86m	11-Feb-20	\$16,538/sqm
3	51	1	1	-	\$0.85m	23-Nov-19	\$16,667/sqm
15	105	2	2	1	\$1.80m	11-Oct-19	\$17,143/sqm
11	50	1	1	-	\$0.90m	23-Aug-19	\$18,000/sqm
2	51	1	1	-	\$0.76m	18-Apr-19	\$14,902/sqm
16	105	2	1	-	\$1.85m	18-Apr-19	\$17,619/sqm
17	107	3	2	2	\$3.10m	18-Apr-19	\$28,972/sqm
8	52	1	1	1	\$1.13m	11-Apr-19	\$21,635/sqm
12	52	1	1	1	\$1.00m	13-Mar-19	\$19,231/sqm
7	52	1	1	-	\$0.90m	14-Feb-19	\$17,308/sqm
13	52	1	1	-	\$1.08m	3-Mar-16	\$20,673/sqm

Source: RPData

# Encore – 18-28 Neild Avenue, Darlinghurst

Sale Rate:  
\$17,000 - \$21,000/sqm  
Aged stock, presold c. 2017

- 5 storey residential apartment development comprising 40 apartments located on Neild Avenue, just off New South Head Road in Darlinghurst/Rushcutter’s Bay.
- Development was completed in 2019 with sample of sales being secondary sales.
- Superior location in terms of distance to city, and has comparable access to amenity and transport being close to Kings Cross Station and the Eastern Distributor.
- Presold in 2017 on the tail end of a period of market highs, and as such is considered aged project.
- We anticipate the subject project to trade at a premium to this comparable noting pre-sales for the comparable we transacted in 2017 and hence is considered aged.

Encore - 18-28 Neild Avenue, Darlinghurst						
Beds	Car	Sample Count	Avg. NSA (sqm)	Avg. Sale Rate (\$/sqm NSA)	Avg. Unit Price	
1	-	4	53sqm	\$16,705/sqm	\$0.89m	
2	-	1	68sqm	\$20,662/sqm	\$1.41m	
2	1	3	90sqm	\$17,788/sqm	\$1.60m	
3	2	1	119sqm	\$21,261/sqm	\$2.53m	

Unit #	NSA (sqm)	Bedrooms	Bath	Car	Sale Price	Sale Date	Sale Rate (\$/sqm NSA)
G05	97	2	2	1	1,585,000	29-Oct-21	\$16,340/sqm
103	52	1	1	-	905,000	1-Sep-21	\$17,404/sqm
307	54	1	1	-	890,000	7-Jul-21	\$16,481/sqm
203	50	1	1	-	783,075	1-Jul-21	\$15,662/sqm
302	57	1	1	-	980,000	14-May-21	\$17,193/sqm
403	119	3	2	2	2,530,000	26-Mar-21	\$21,261/sqm
G03	93	2	2	1	2,000,000	10-Mar-21	\$21,505/sqm
109	68	2	1	-	1,405,000	27-Feb-21	\$20,662/sqm
G02	79	2	2	1	1,200,000	20-Jan-21	\$15,190/sqm

Source: RPData

# The Hensley – 37-41 Bayswater Road

Sale Rate:

\$25,000 - \$30,000/sqm (with parking)

Aged stock, presold 2016-17

- Boutique 38-unit residential development situated approximately 1.1km west of the subject Site near to Kings Cross.
- Project completed in 2020, pre-sales commenced 2016-2017, hence aged project values.
- The project overlooks Rushcutters Bay and is walking distance to Kings Cross train station..
- Potentially superior location being closer to the CBD, albeit with similar access to amenity, retail, and transport infrastructure.
- Overall the subject Site is considered inferior as it is located on an arterial roadway, and is further from the CBD. However, the transaction values for the comparable project reflect pre-sales in 2016-17, and are aged.



## Dennis Meyer

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**From:** Dennis Meyer  
**Sent:** Thursday, 17 March 2022 4:59 PM  
**To:** Tom.OHanlon@woollahra.nsw.gov.au; Richard Pearson  
**Cc:** Andrew Boyarsky; Carl Reid  
**Subject:** 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA  
**Attachments:** Appendix D Planning Proposal plans.pdf

Tom / Richard,

As discussed please find attached the concept plans that formed part of our Planning Proposal which we feel should be used as the basis for the uplifted residual land value calculation.

We will forward the requested HillPDA review of the CBRE report in due course.

### **DENNIS MEYER**

**ANKA PROPERTY GROUP**  
Level 3, 179-191 New South Head Rd  
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Edgecliff NSW 2027

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P +61 2 9302 3000  
dennism@ankaproperty.com  
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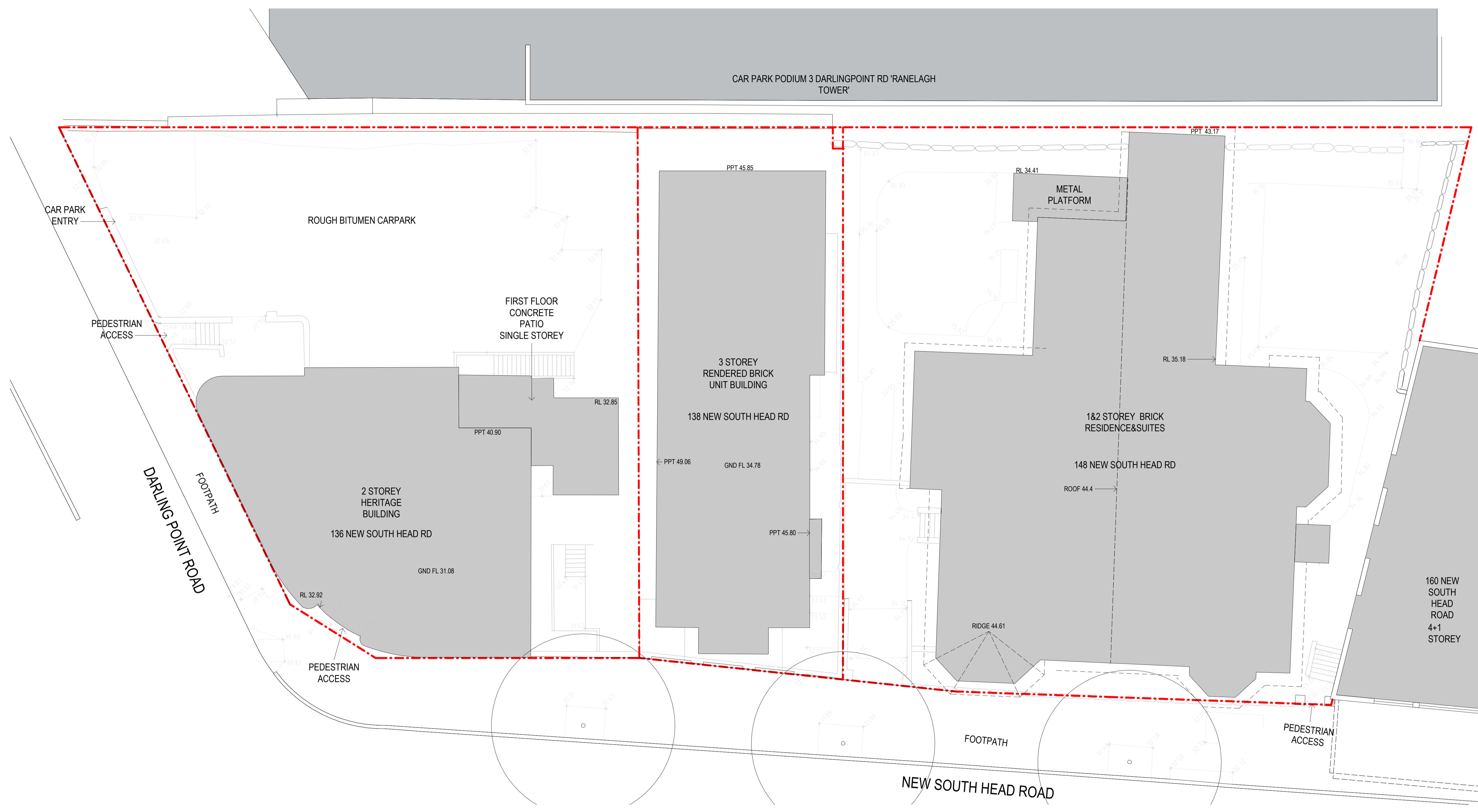


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**INDICATIVE  
CONCEPT  
DESIGN  
DRAWINGS**

**02**



**1 EXISTING SITE PLAN**  
1:100



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
 www.groupgsa.com  
 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**EXISTING SITE PLAN**

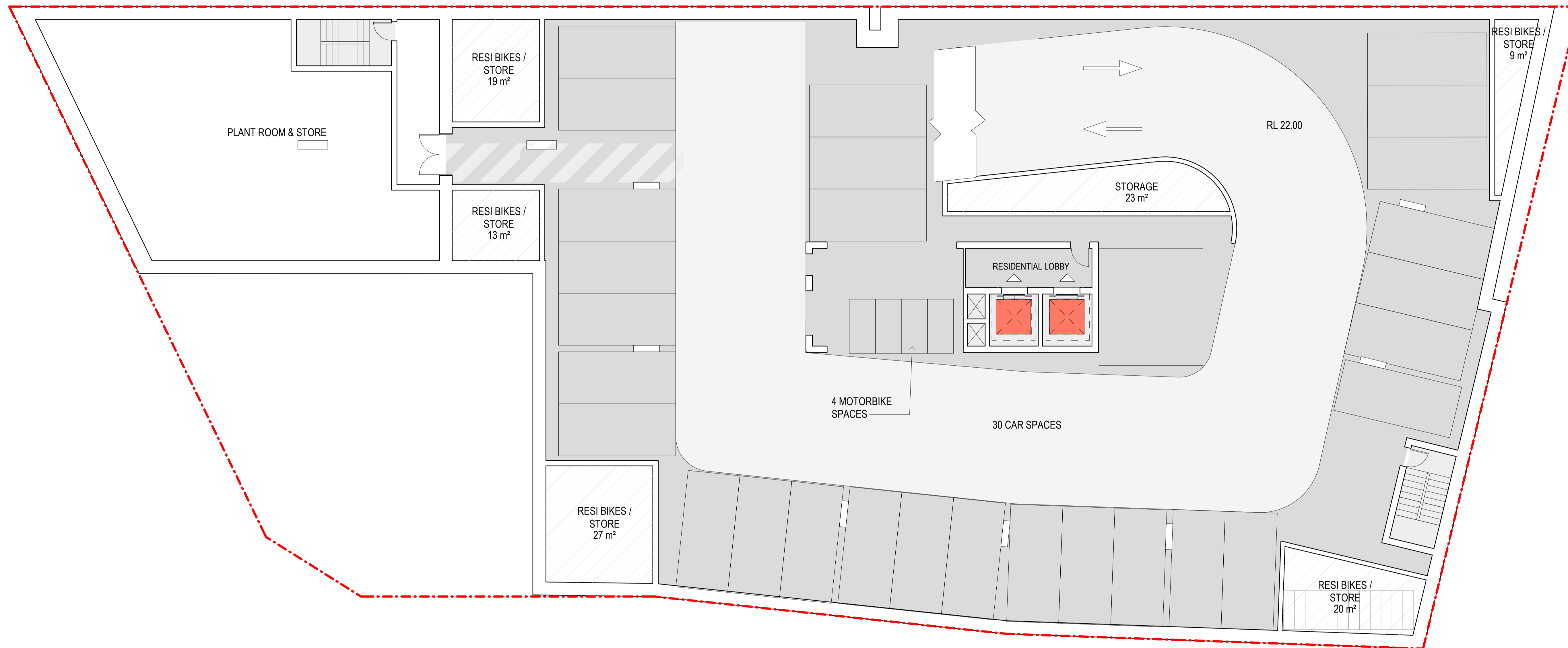
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**FOR PLANNING PROPOSAL**

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Verified	AE		
Approved	Approver		
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Scale	Project No	Drawing No	Issue
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@A1			

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Amendments		
Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Amendments		
Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
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 Consultant  
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 room architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**CARPARK LEVEL 3**

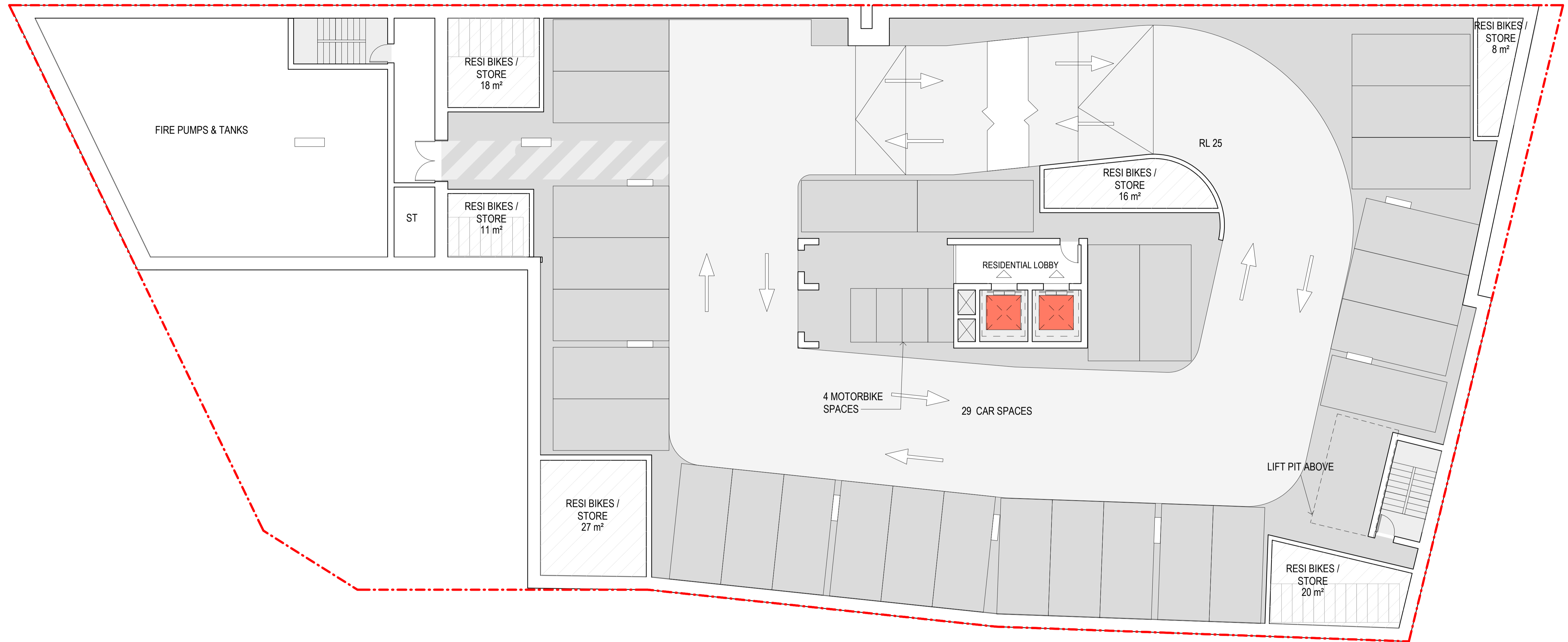
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FOR PLANNING PROPOSAL			
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			DN
		06/08/21	
Scale	Project No	Drawing No	Issue
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@A1			



North Point

M. Sheldon 3990



North Point

Amendments		
Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Amendments		
Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
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 nom architect M. Sheldon 3990

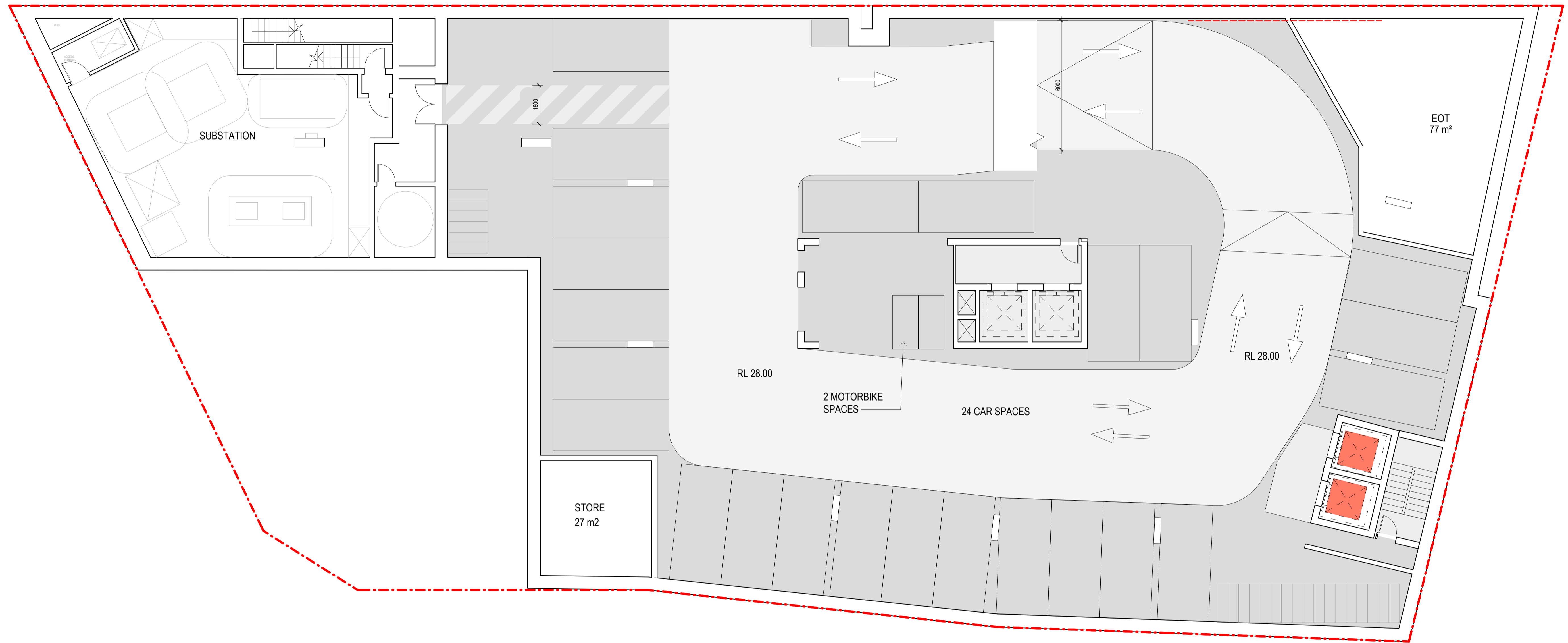
Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**CARPARK LEVEL 2**

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**FOR PLANNING PROPOSAL**

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Verified	AE	Approved	Approver
Drawing Created (date)	06/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
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30/06/2021 6:02:22 PM



North Point

Amendments		Amendments	
Issue	Description	Date	Date
A	FOR PLANNING PROPOSAL	03/09/2021	

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
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architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**

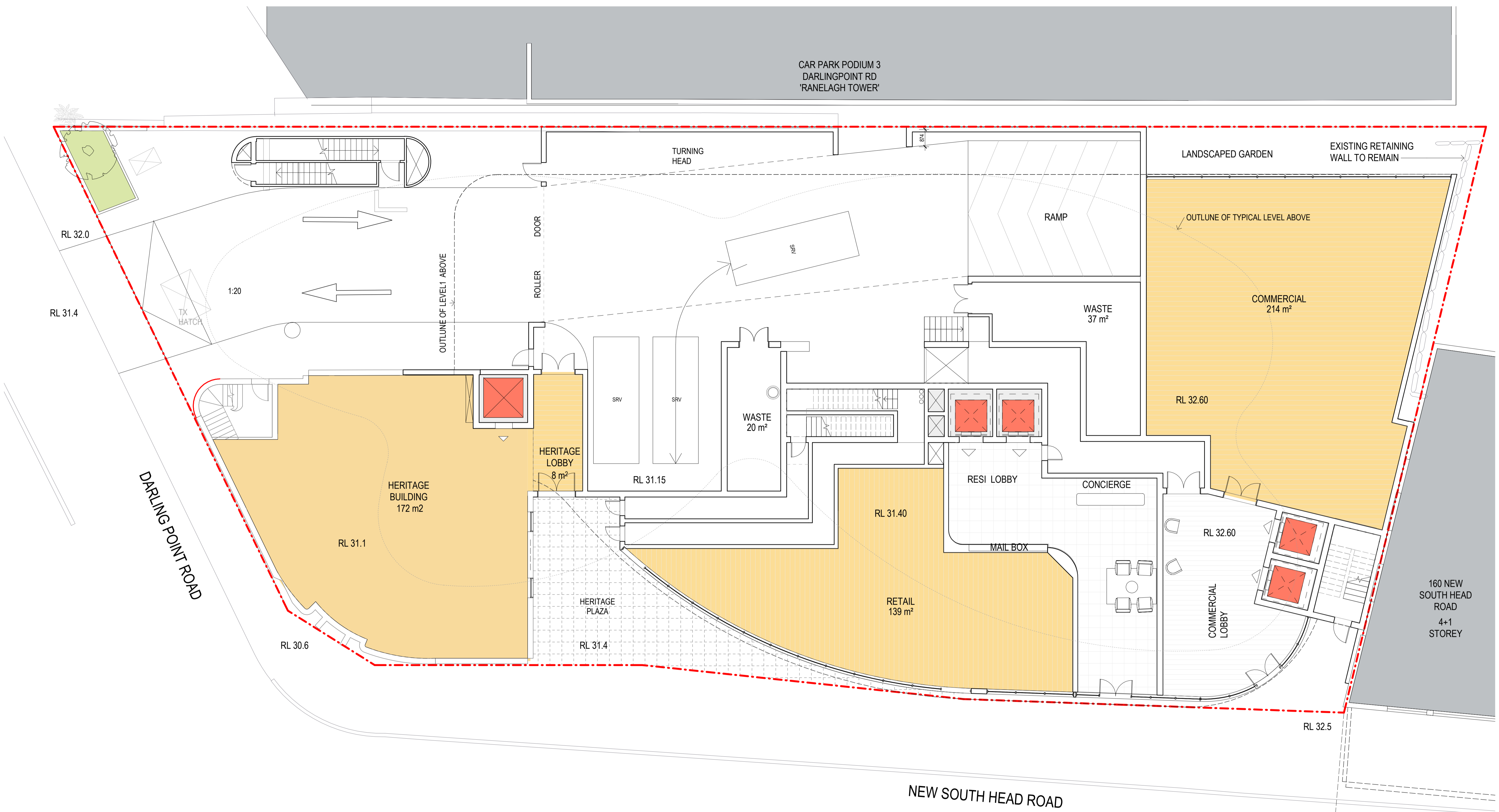
Drawing Title  
**CARPARK LEVEL 1**

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**FOR PLANNING PROPOSAL**

Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	Drawing Created (by)	DN	
06/08/21			
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2002	A
@A1			

M:\Projects\200712\200712\_01.dwg



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptys</sup>  
 Consultant  
**Consultant Company**<sup>ptys</sup>  
 Consultant  
**Consultant Company**<sup>ptys</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details

**GROUP GSA**  
 Group GSA Pty Ltd ABN 76 002 113 779  
 Level 7, 80 William St East Sydney NSW  
 Australia 2011  
 www.groupgsa.com  
 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**GROUND FLOOR**

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FOR PLANNING PROPOSAL			
Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	10/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2003	A
@A1			



10/08/21 12:21:21

CAR PARK PODIUM 3  
DARLINGPOINT RD  
'RANELAGH TOWER'

LANDSCAPE GARDEN BELOW

OUTLINE OF PROPOSED BUILDING ENVELOPE

OUTLINE OF TYPICAL LEVEL ABOVE

17.4 m  
SETBACK

ENTRY DRIVEWAY  
BELOW

RL 36.5

COMMERCIAL  
895 m<sup>2</sup>

AMENITIES  
23 m<sup>2</sup>

HERITAGE  
BUILDING  
165 m<sup>2</sup>

RL 35.32

OUTLINE OF LEVEL 2 ABOVE

2.4 m  
SETBACK  
ROOF BELOW

OUTLINE OF PROPOSED BUILDING ENVELOPE

ROOF BELOW

160 NEW  
SOUTH HEAD  
ROAD  
4+1  
STOREY



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**

Drawing Title  
**LEVEL 1**

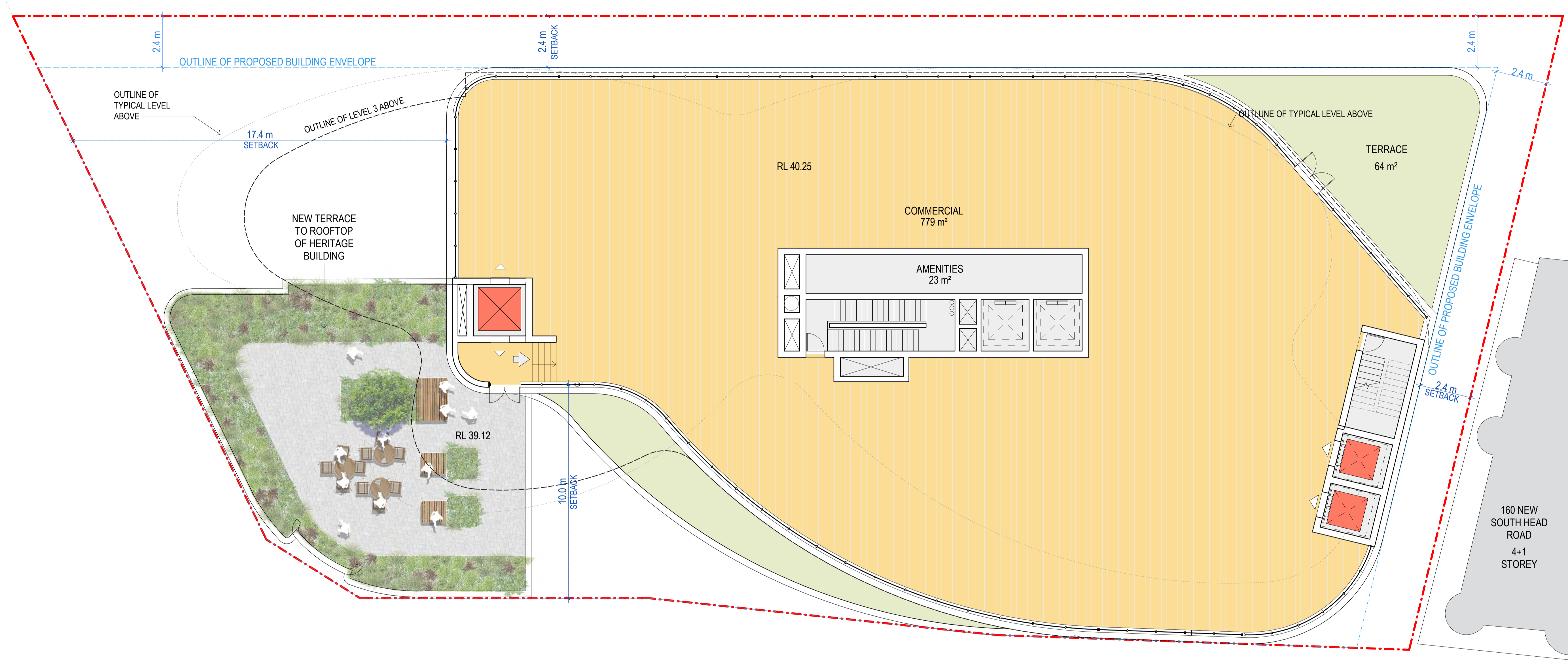
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**FOR PLANNING PROPOSAL**

Plotted and checked by	DN		
Verified	AE		
Approved	Approver		
Drawing Created (date)	Drawing Created (by)		
06/08/21	DN		
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2004	A
@A1			

Mtd B110109 12/06/2021

CAR PARK PODIUM 3  
DARLINGPOINT RD  
'RANELAGH TOWER'



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
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 architecture interior design urban design landscape  
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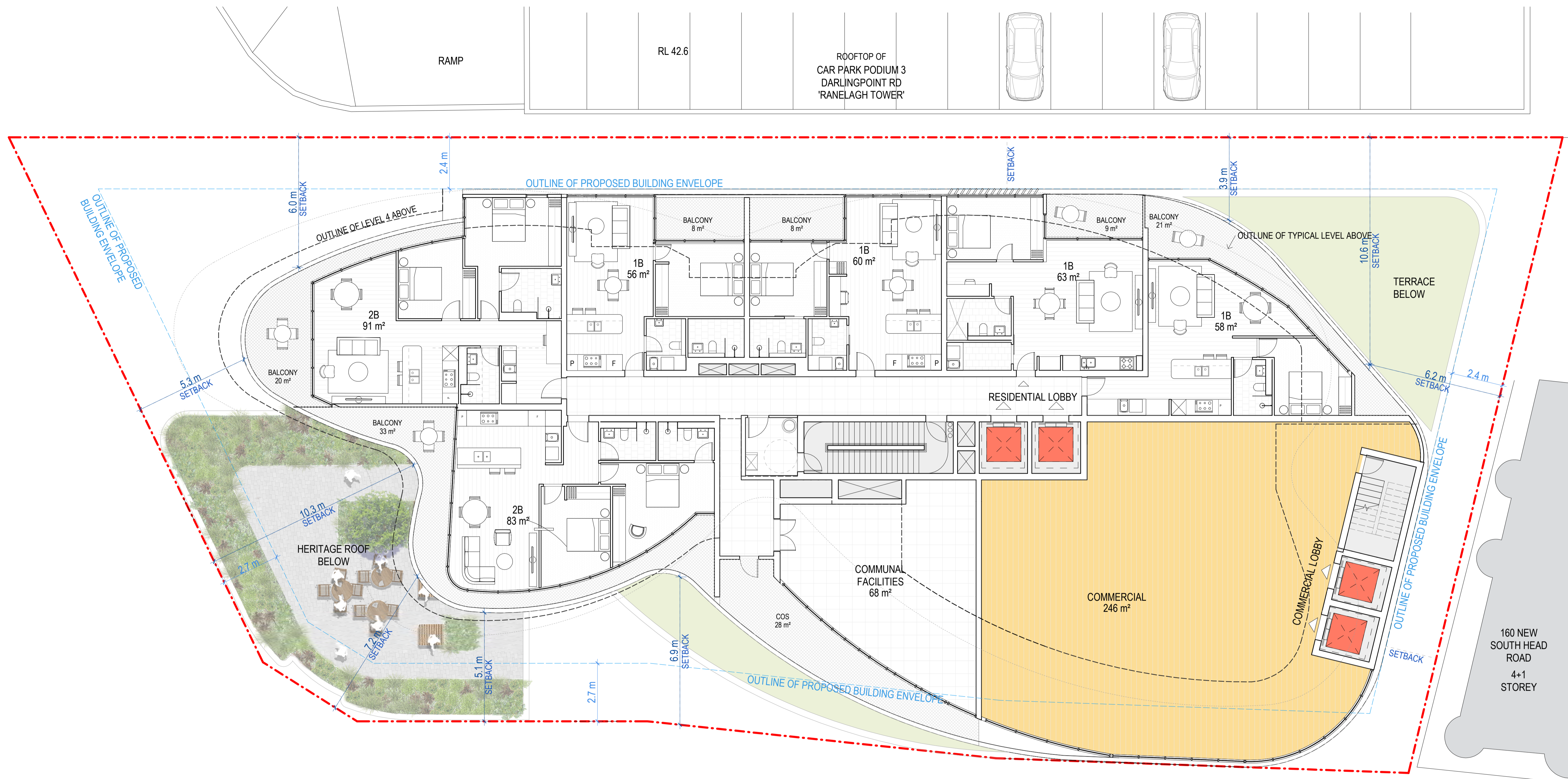
Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**LEVEL 2**

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FOR PLANNING PROPOSAL			
Plotted and checked by	DN, SC	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	06/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2005	A
@A1			



M:\Projects\200712\A2005



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>alls</sup>  
 Consultant  
**Consultant Company**<sup>alls</sup>  
 Consultant  
**Consultant Company**<sup>alls</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details

**GROUP GSA**  
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 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**LEVEL 3**

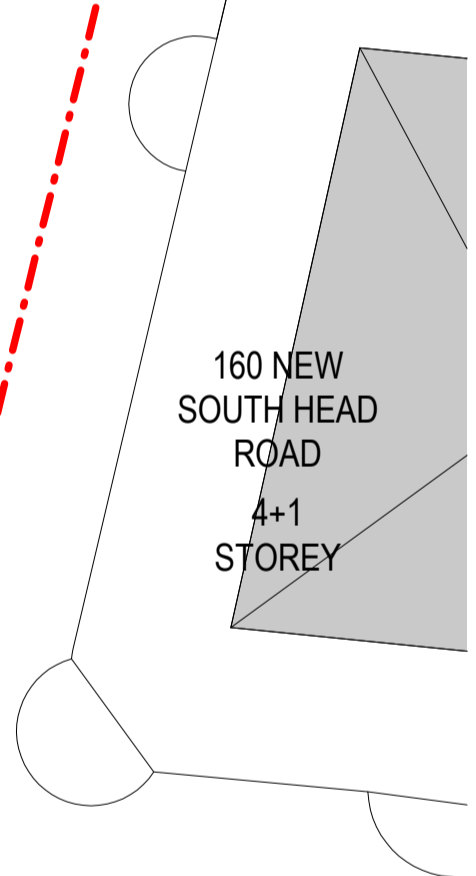
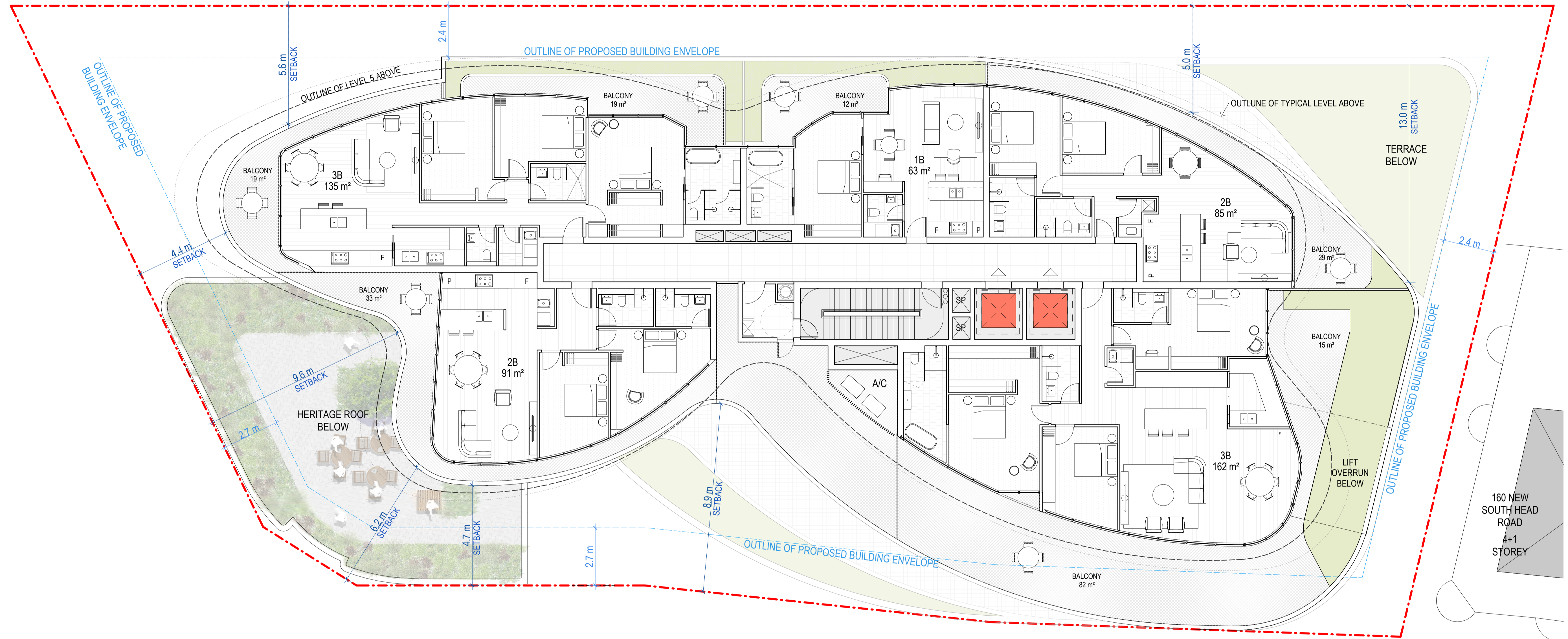
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FOR PLANNING PROPOSAL			
Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	06/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2006	A
@A1			



10/05/21 12:21:22  
 10/05/21 12:21:22

ROOFTOP OF  
CAR PARK PODIUM 3  
DARLINGPOINT RD  
'RANELAGH TOWER'



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details

**GROUP GSA**  
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 Australia 2011  
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 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**LEVEL 4**

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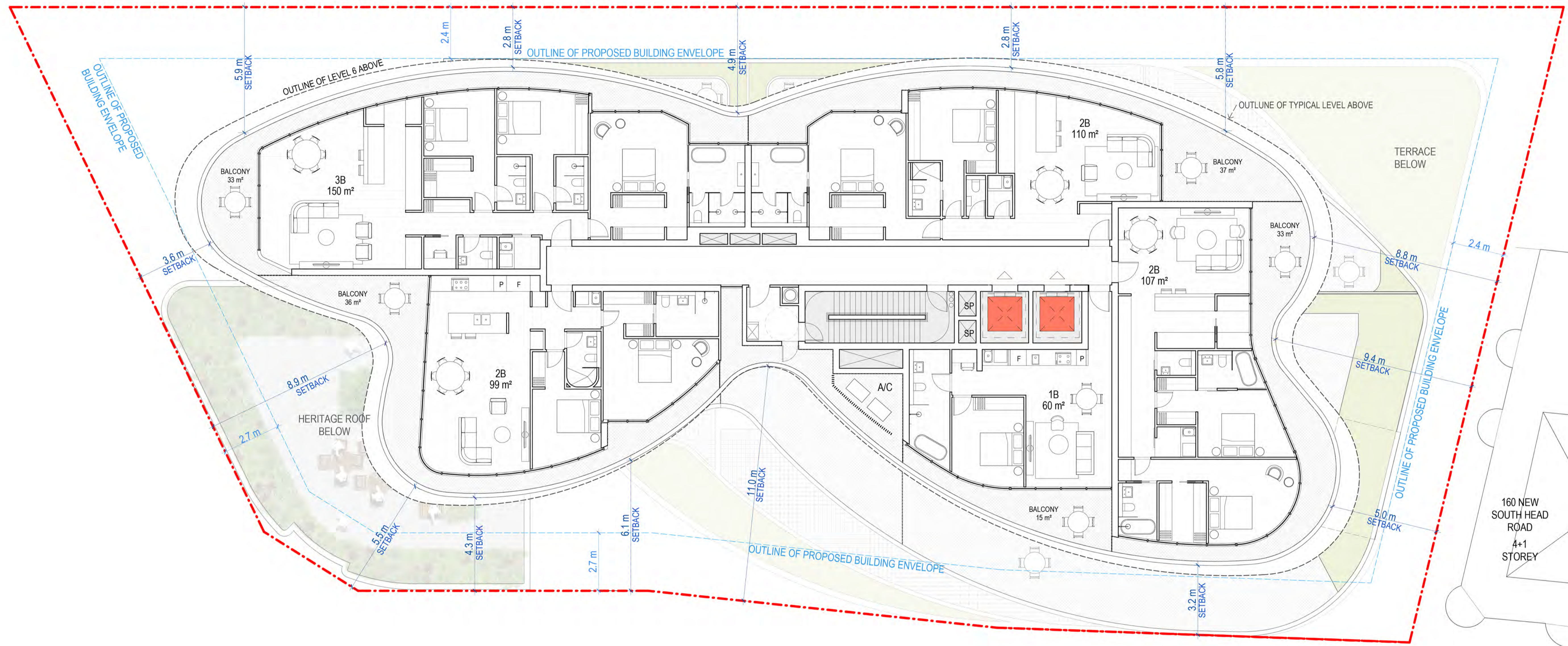
FOR PLANNING PROPOSAL			
Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	06/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2007	A
@A1			



06/08/21 12:21 PM



CAR PARK PODIUM 3  
DARLINGPOINT RD  
'RANELAGH TOWER'



160 NEW SOUTH HEAD ROAD  
4+1 STOREY



**FOR PLANNING PROPOSAL**

Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
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 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**

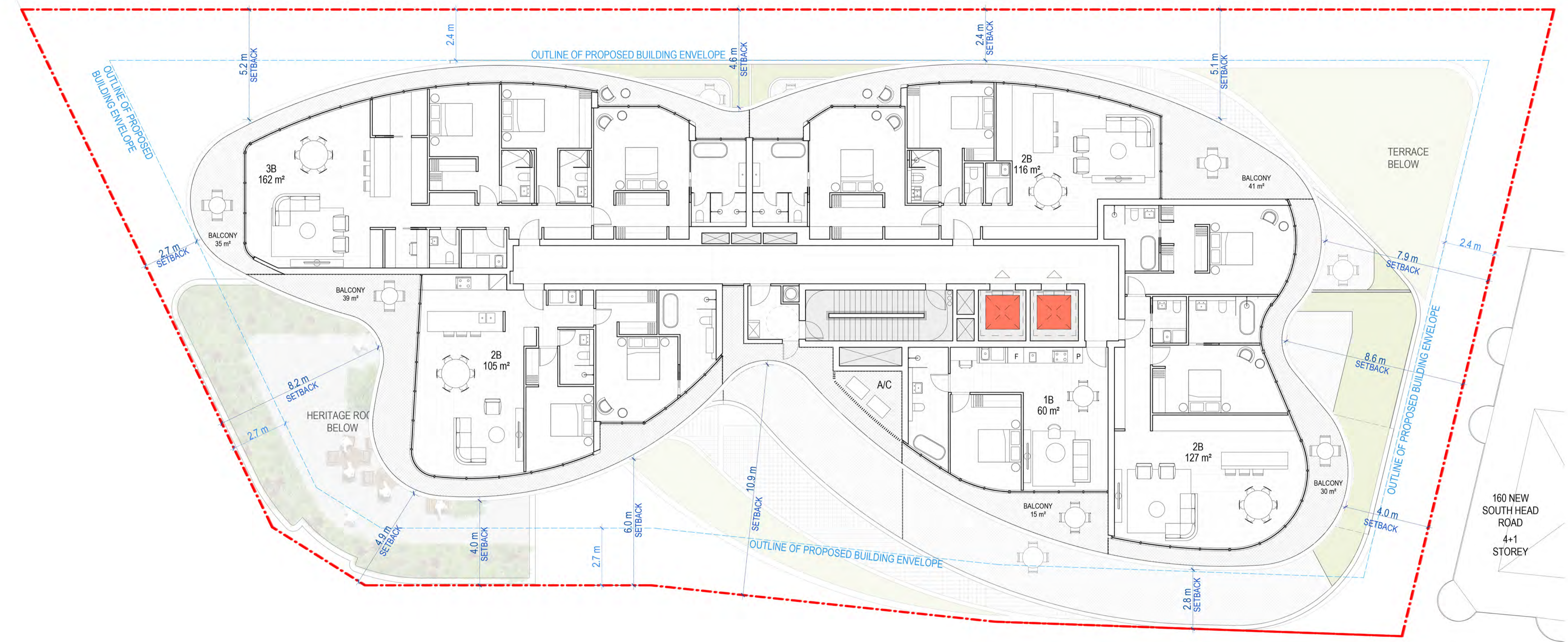
Drawing Title  
**LEVEL 5**

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Plotted and checked by	DN		
Verified	AE		
Approved			
Approval			
Drawing Created (date)	Drawing Created (by)		
06/08/21			
Scale	Project No	Drawing No	Issue
1:100	200712	A2008	A
@A1			

30/08/2021 10:15:31 AM

CAR PARK PODIUM 3  
DARLINGPOINT RD  
'RANELAGH TOWER'



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptys</sup>  
 Consultant  
**Consultant Company**<sup>ptys</sup>  
 Consultant  
**Consultant Company**<sup>ptys</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details

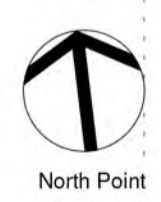
**GROUP GSA**  
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 Level 7, 80 William St East Sydney NSW  
 Australia 2011  
 www.groupgsa.com  
 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**LEVEL 6,7,8**

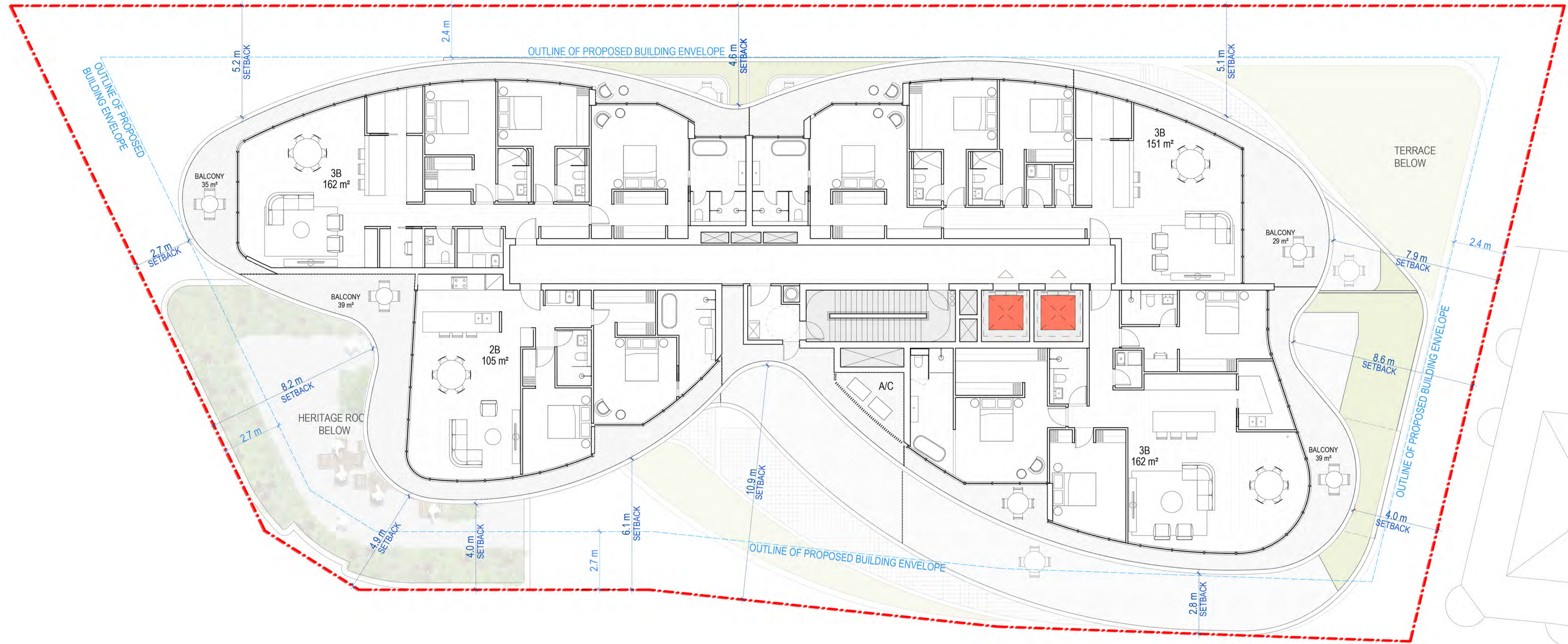
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**FOR PLANNING PROPOSAL**

Plotted and checked by	DN	Approved	Approved
Verified	AE	Approved	Approved
Drawing Created (date)	06/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2009	A
@A1			



10/09/21 15:29:28



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details

**GROUP GSA**  
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 Australia 2011  
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 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

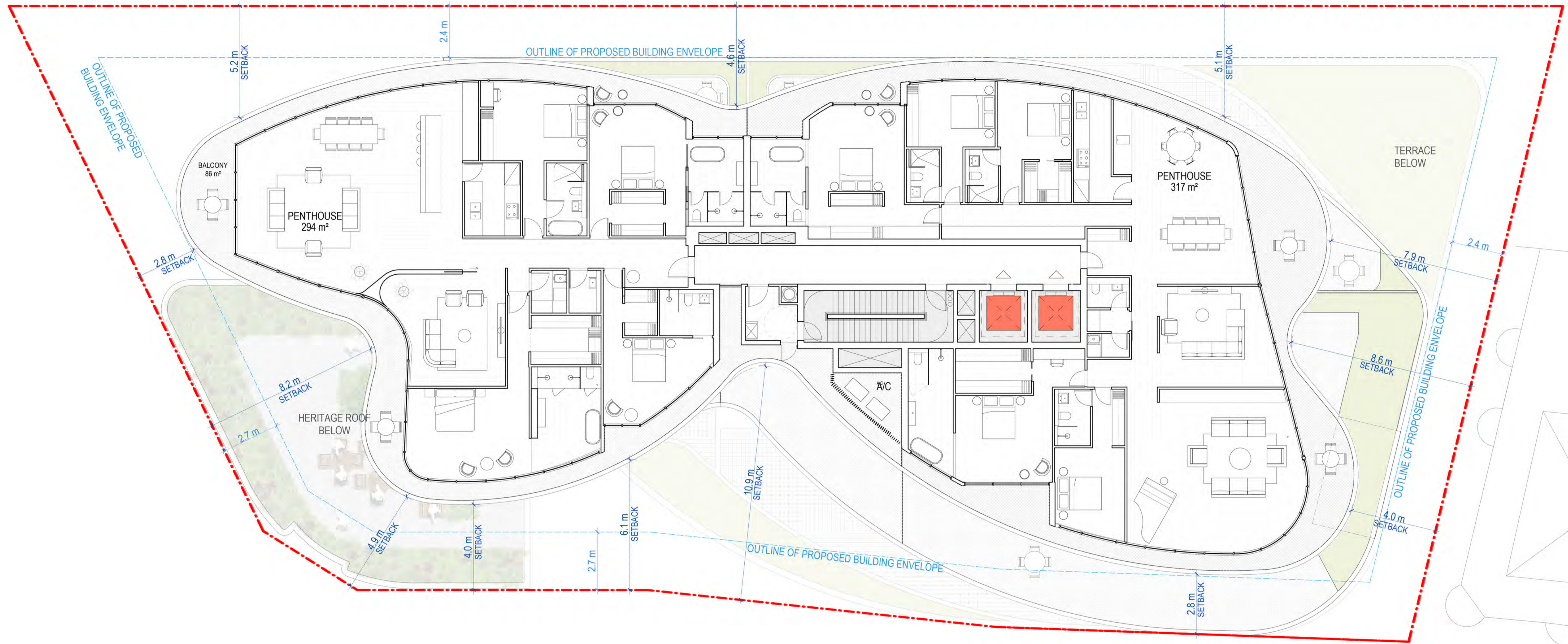
Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**LEVEL 9-10**

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FOR PLANNING PROPOSAL			
Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	06/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2012	A
@A1			



North Point  
 Wed 06/08/21 12:26:06



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**  
 Consultant  
**Consultant Company**  
 Consultant  
**Consultant Company**

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
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architecture interior design urban design landscape  
 nom architect M. Sheldon 9990

Project Title  
**EDGECLIFF TOWER**

Drawing Title  
**LEVEL 11**

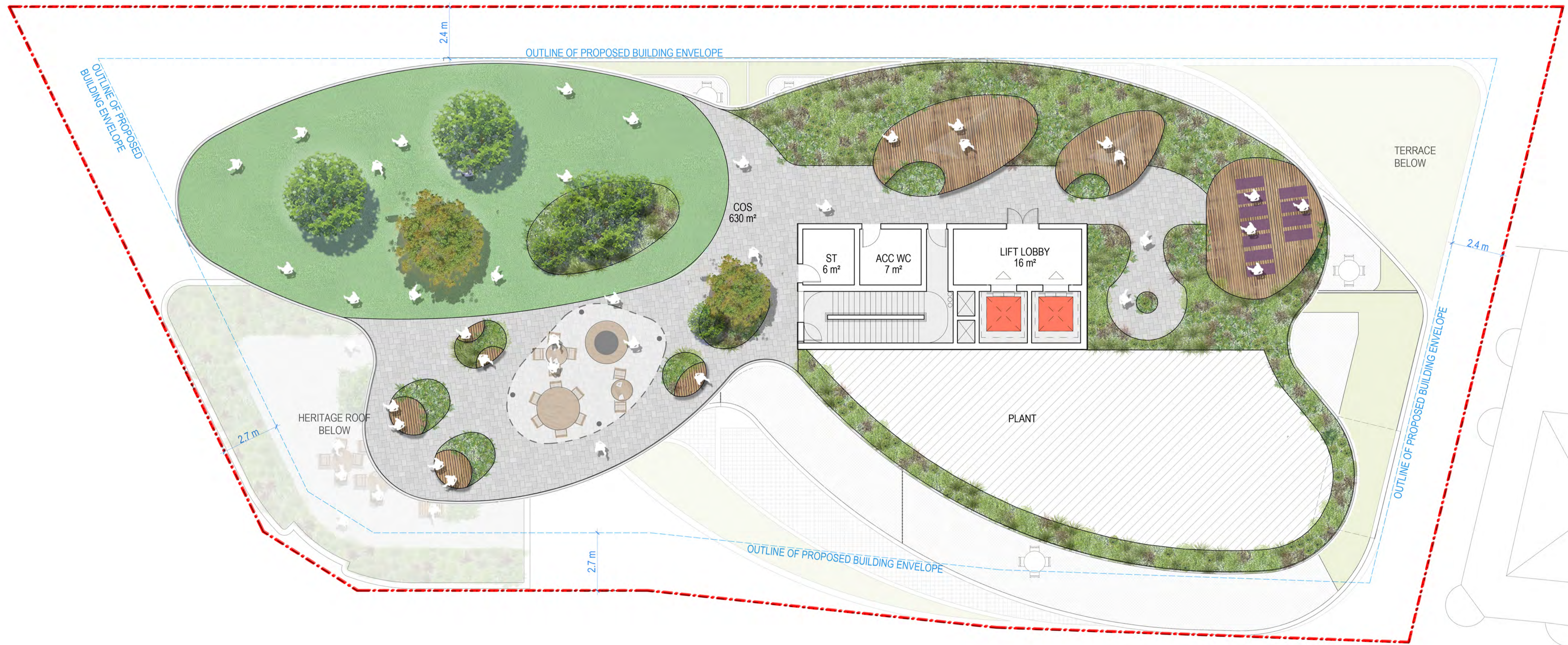
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FOR PLANNING PROPOSAL			
Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	06/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2014	A
@A1			



North Point

30/09/2021 1:03:33 PM



REQUIRED COS : 436 m<sup>2</sup> (25% of 1746 m<sup>2</sup>)  
 PROPOSED COS ROOF : 630 m<sup>2</sup> (25% of 1746 m<sup>2</sup>)  
 PROPOSED COS L3 : 28 m<sup>2</sup> (25% of 1746 m<sup>2</sup>)



North Point

Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date
-------	-------------	------

Consultant  
**Consultant Company**<sup>ptys</sup>  
 Consultant  
**Consultant Company**<sup>ptys</sup>  
 Consultant  
**Consultant Company**<sup>ptys</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
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architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**

Drawing Title

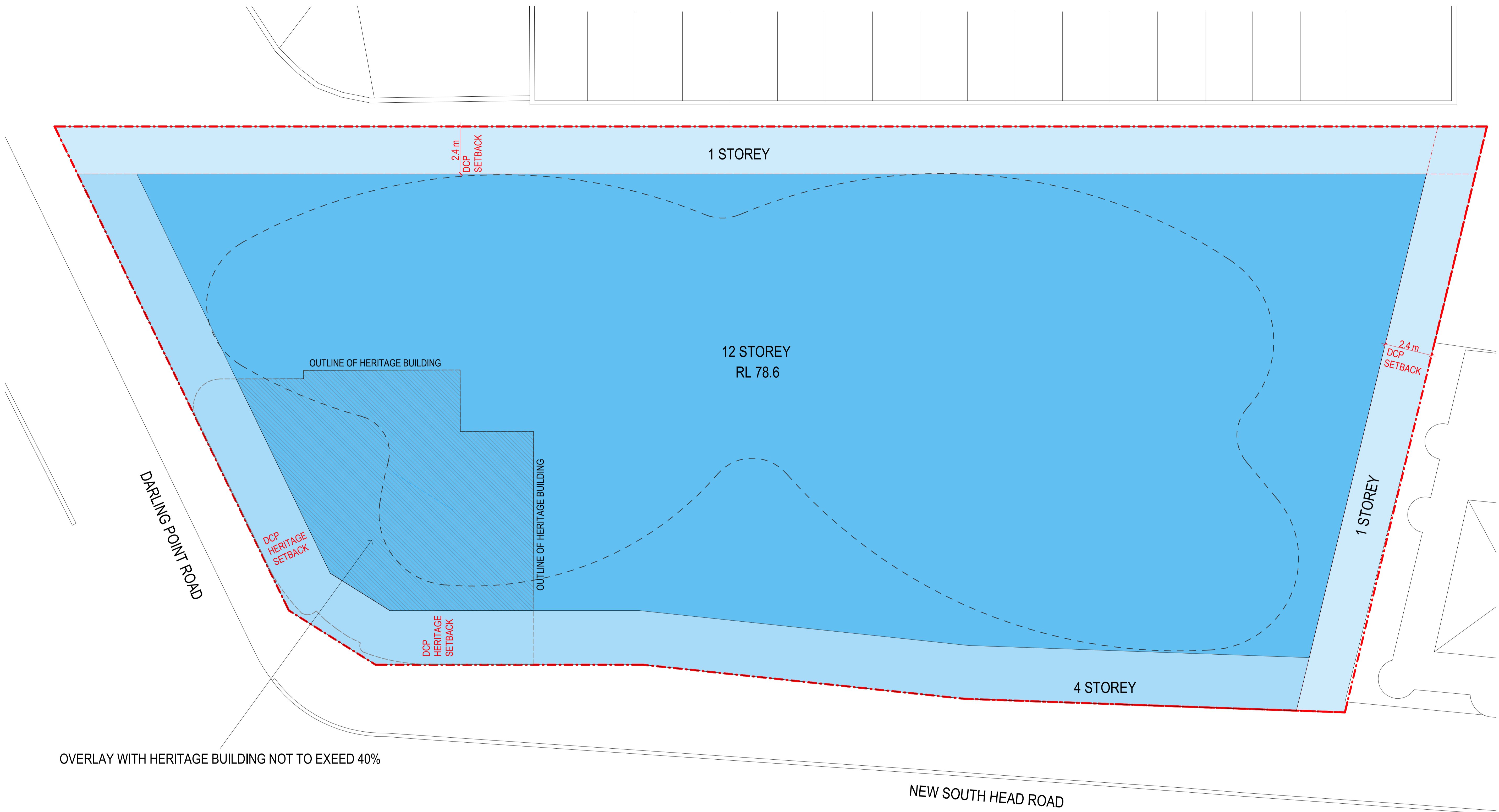
**ROOF COS**

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**FOR PLANNING PROPOSAL**

Plotted and checked by	DN, SC		
Verified	AE		
Approved	Approver		
Drawing Created (date)	Drawing Created (by)		
06/08/21	DN		
Scale	Project No	Drawing No	Issue
1 : 100	200712	A2015	A
@A1			

701 1202016



OVERLAY WITH HERITAGE BUILDING NOT TO EXCEED 40%



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



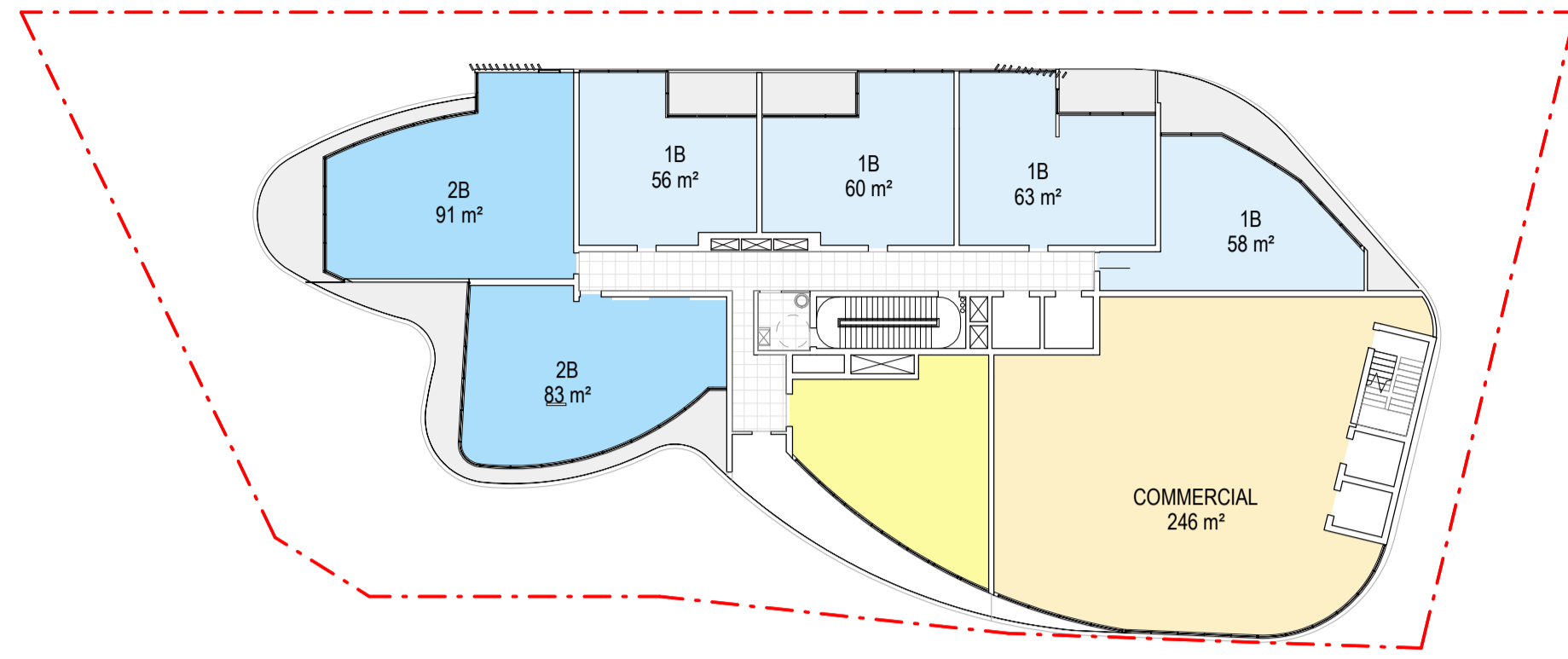
Group GSA Pty Ltd ABN 76 002 113 779  
 Level 7, 80 William St East Sydney NSW  
 Australia, 2011  
 www.groupgsa.com  
 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**ENVELOPE PLAN**

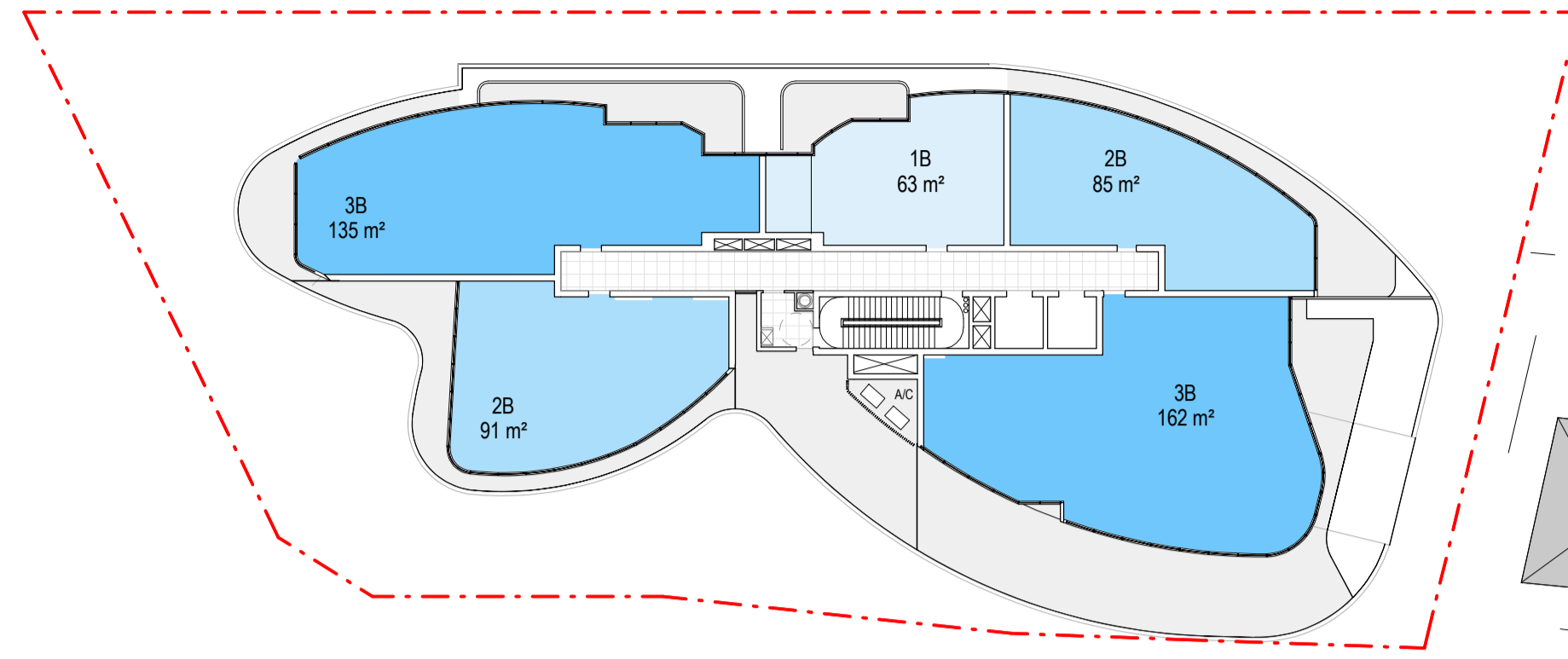
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**FOR PLANNING PROPOSAL**

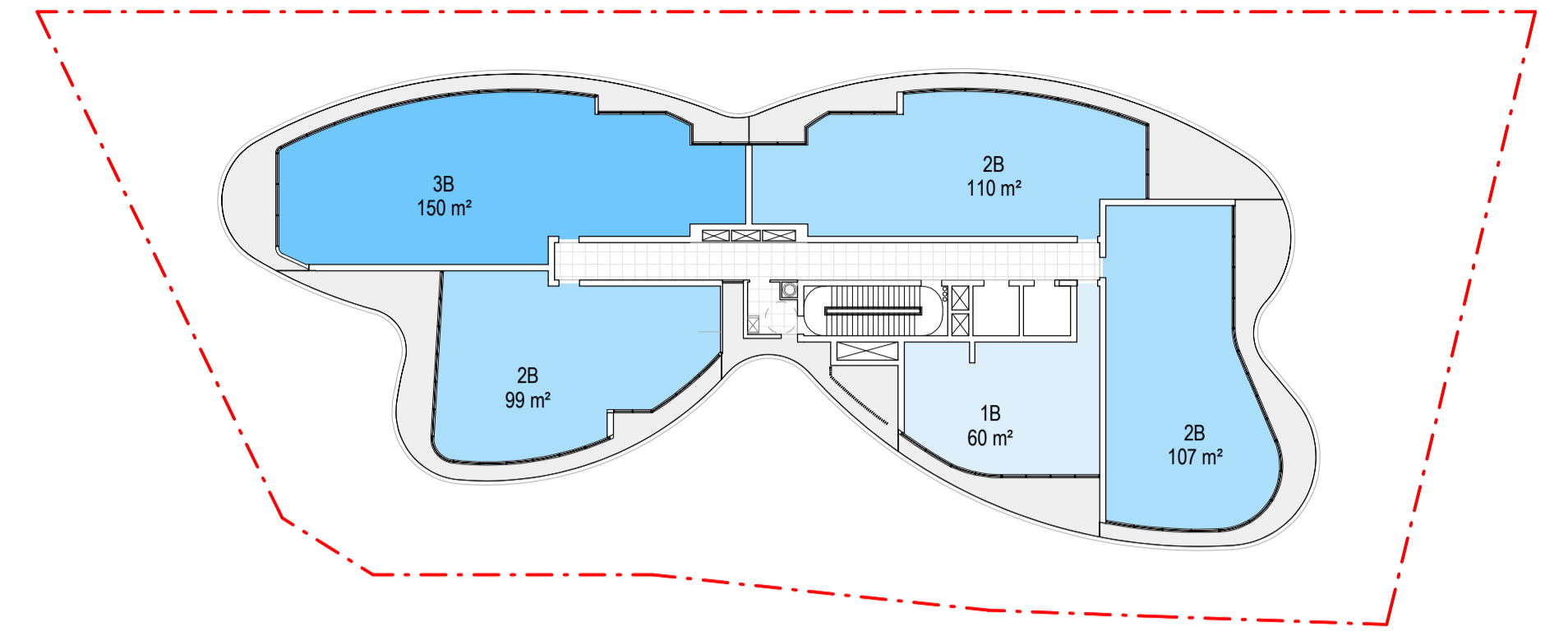
Plotted and checked by	Author		
Verified Designer	Approved Approver		
Drawing Created (date)	Drawing Created (by) Checker		
08/02/21			
Scale	Project No	Drawing No	Issue
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@A1			



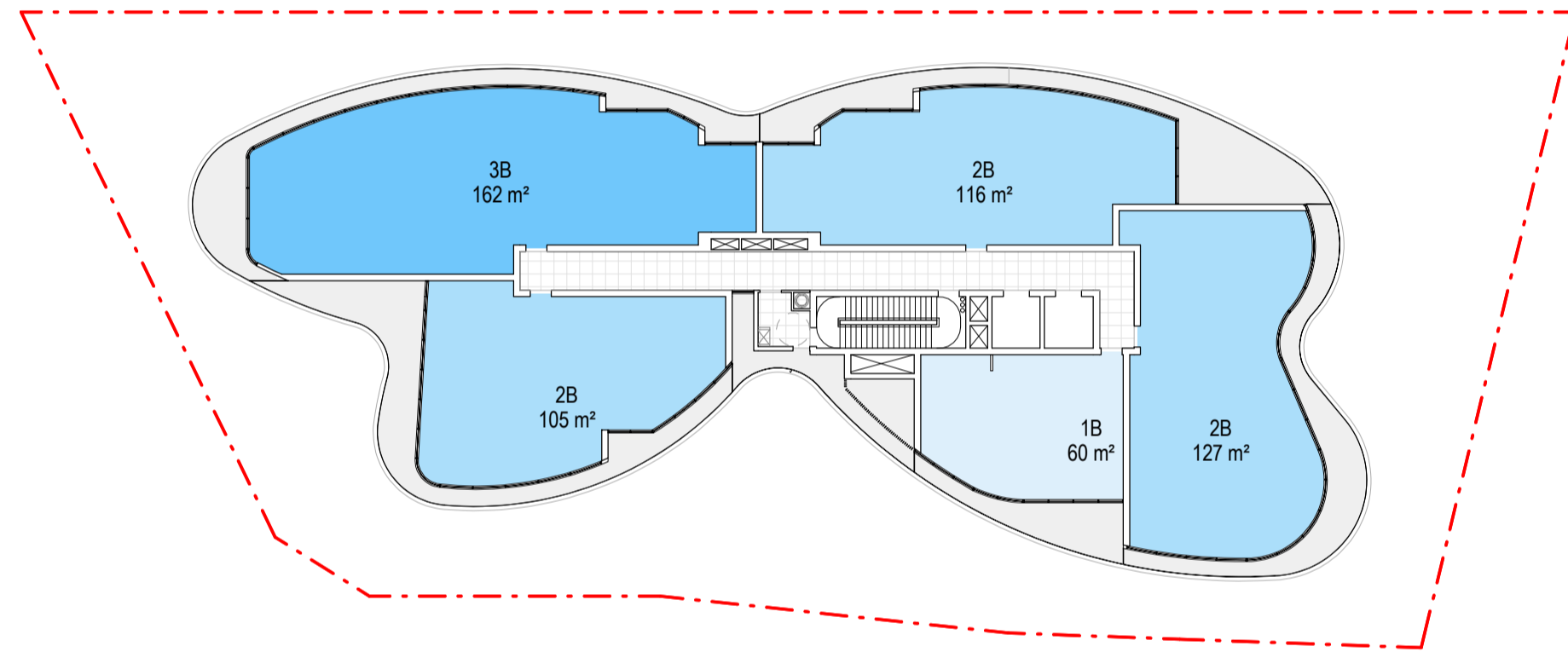
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1:300



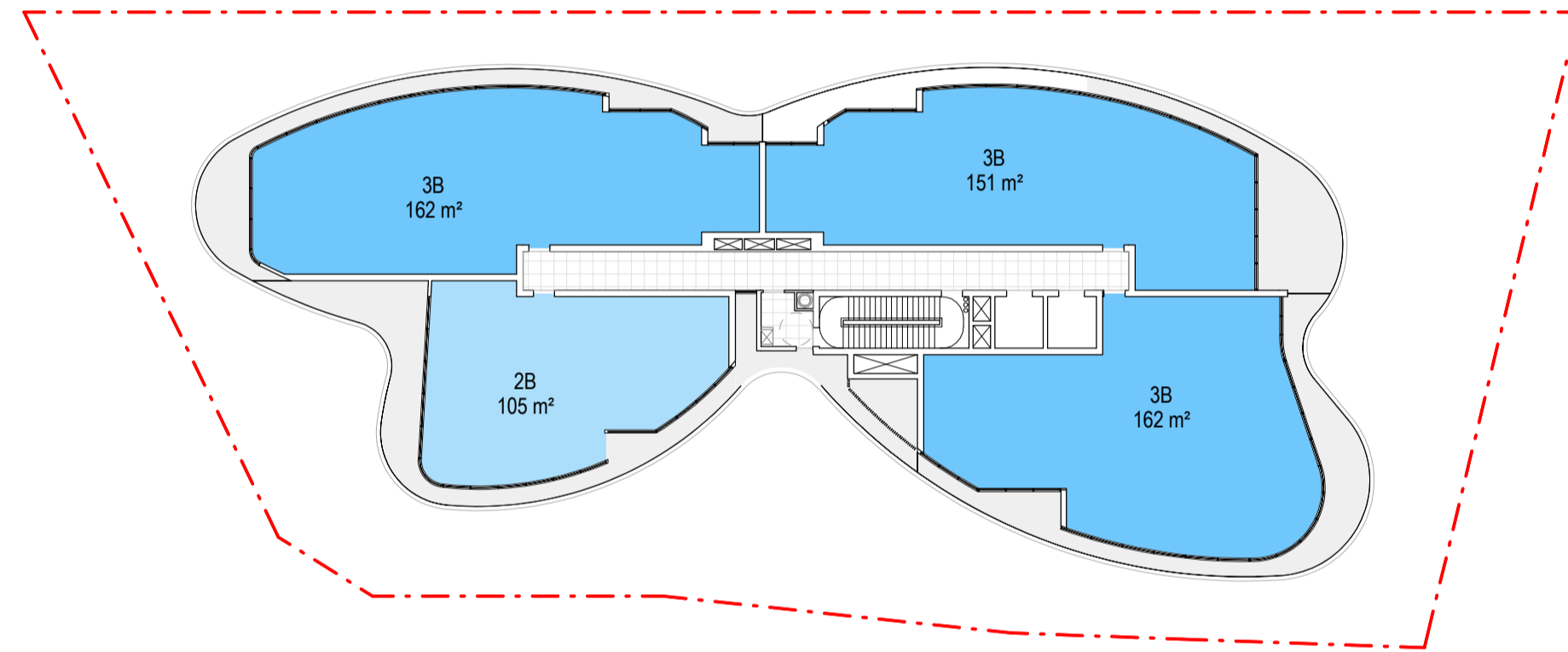
2 LEVEL 4 YIELD  
1:300



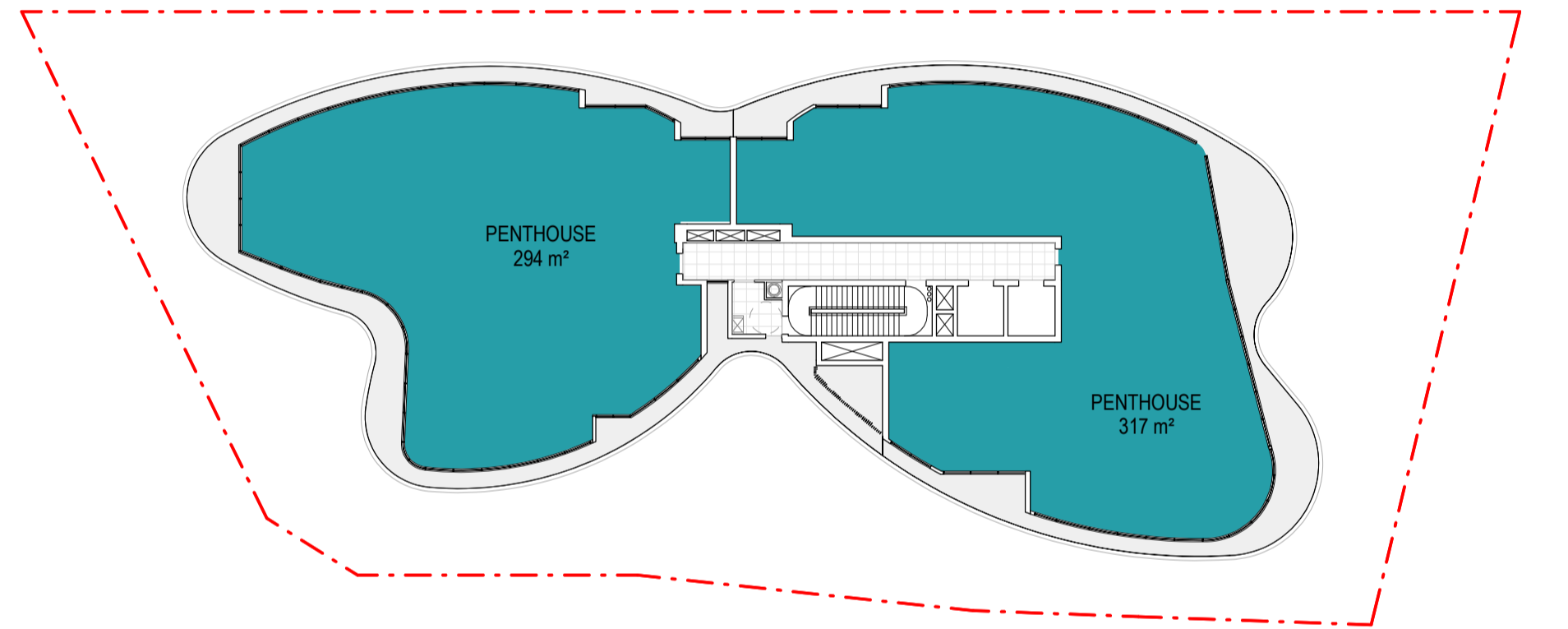
3 LEVEL 5 YIELD  
1:300



4 LEVEL 6-8 YIELD  
1:300



5 LEVEL 9-10 YIELD  
1:300



6 LEVEL 11 YIELD  
1:300

	1B	2B	3B	4B	PH	TOTAL	NSA(m2)
LEVEL 3	4	2	-	-	-	6	411
LEVEL 4	1	3	2	-	-	5	536
LEVEL 5	1	3	1	-	-	5	526
LEVEL 6	1	3	1	-	-	5	570
LEVEL 7	1	3	1	-	-	5	570
LEVEL 8	1	3	1	-	-	5	570
LEVEL 9	-	1	3	-	-	4	580
LEVEL 10	-	1	3	-	-	4	580
LEVEL 11	-	-	-	-	2	2	610
	9	18	12	-	2	41	4953
	22%	44%	29%	-	5%		

Amendments			Amendments		
Issue	Description	Date	Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021			

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

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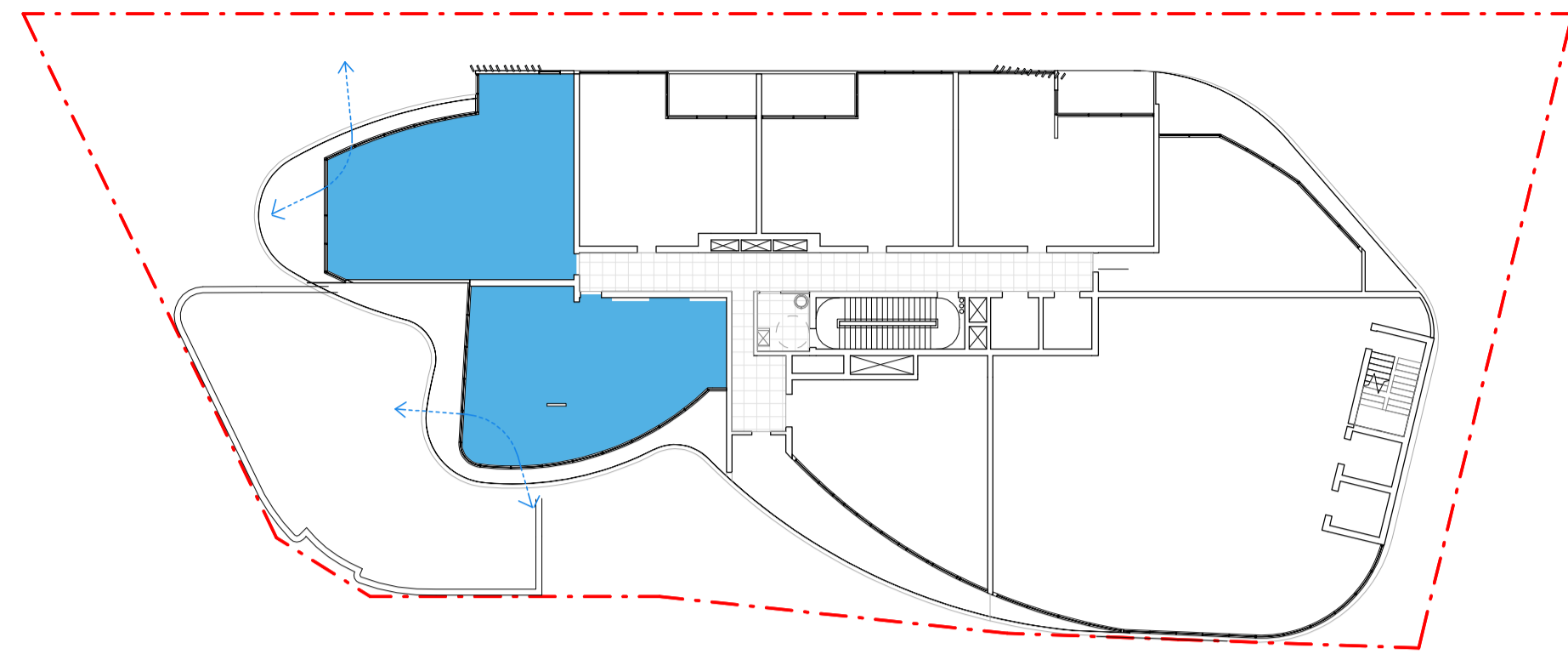
architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**YIELD PLANS**

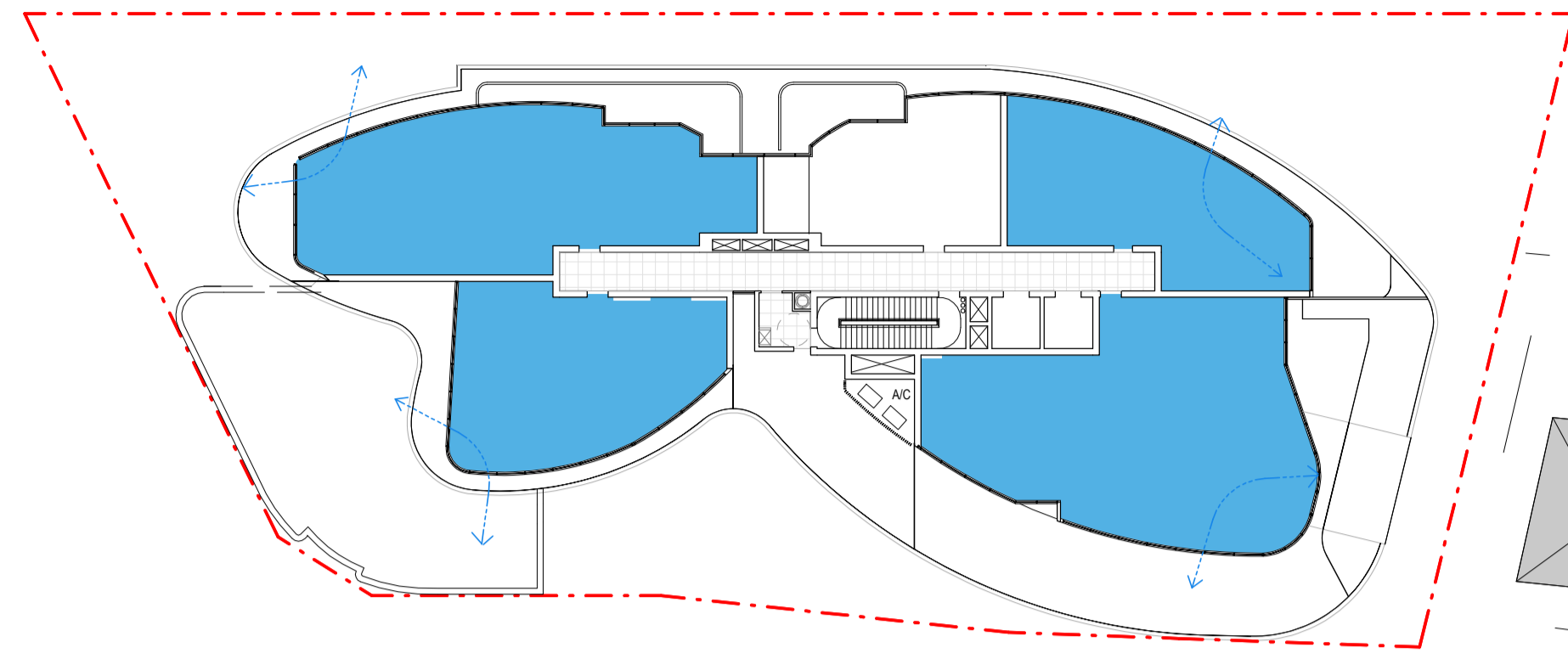
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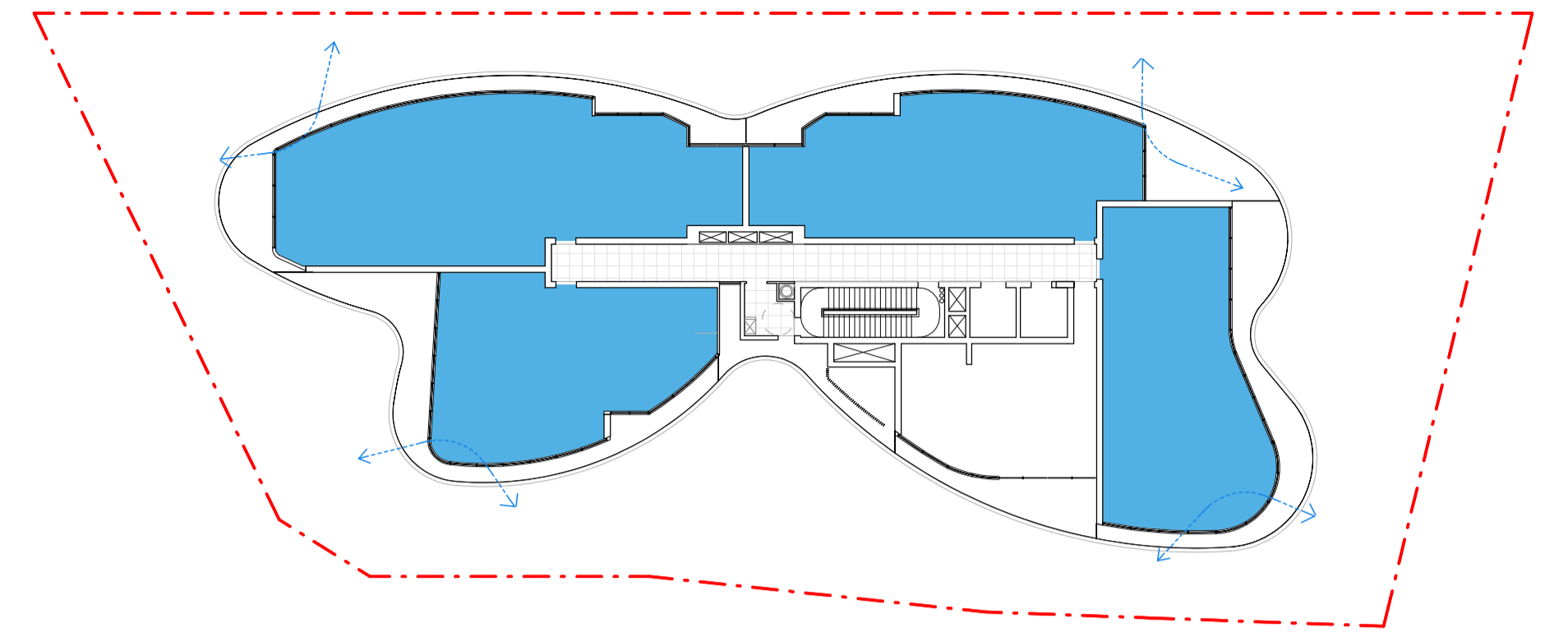
FOR PLANNING PROPOSAL			
Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	11/08/2021	Drawing Created (by)	AE
Scale	Project No	Drawing No	Issue
1:300	200712	A2701	A
@A1			



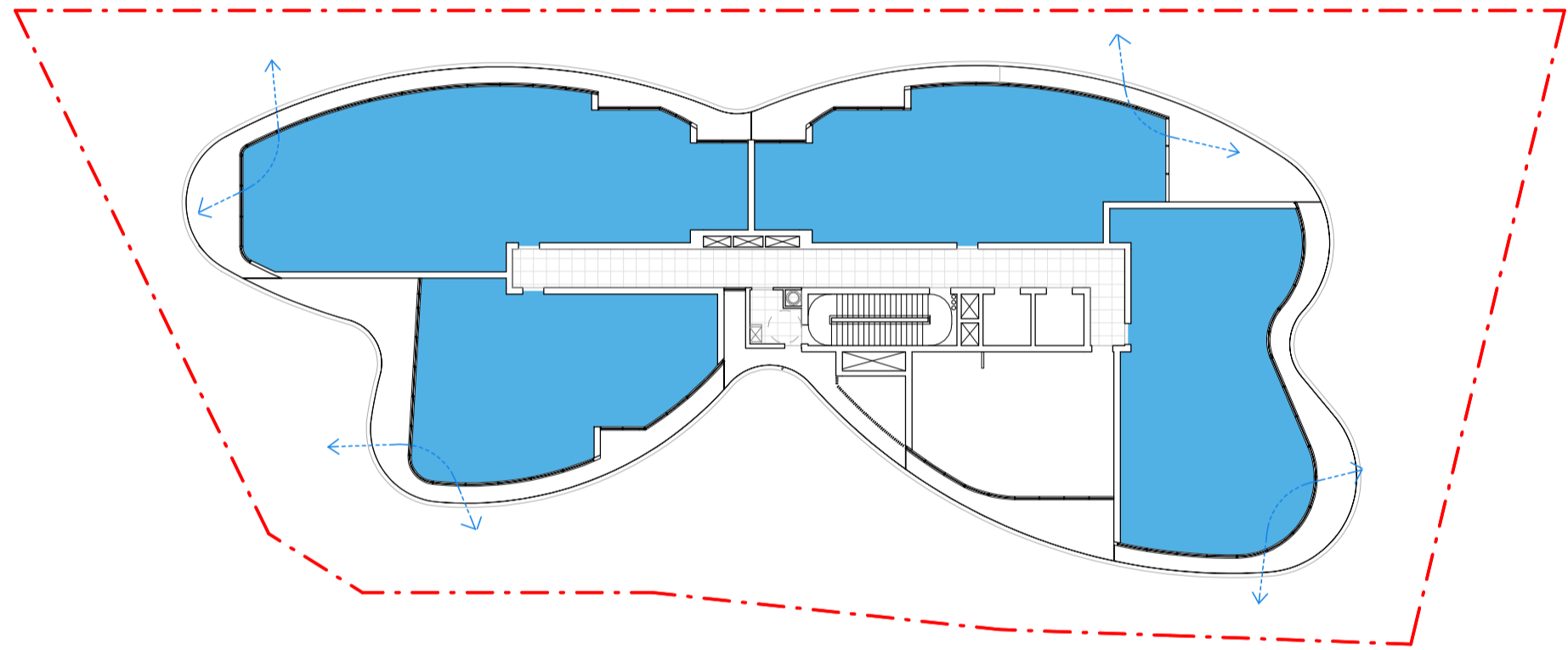
**4** LEVEL 3 Cross Vent  
1:300



**2** LEVEL 4 Cross vent  
1:300



**1** LEVEL 5 Cross Vent  
1:300



**3** LEVEL 6-8 Cross Vent  
1:300

LEVEL 3	2/6
LEVEL 4	4/6
LEVEL 5	4/5
LEVEL 6	4/5
LEVEL 7	4/5
LEVEL 8	4/5
	71%



North Point

**FOR PLANNING PROPOSAL**

Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date
-------	-------------	------

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
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 Client Details



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architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**

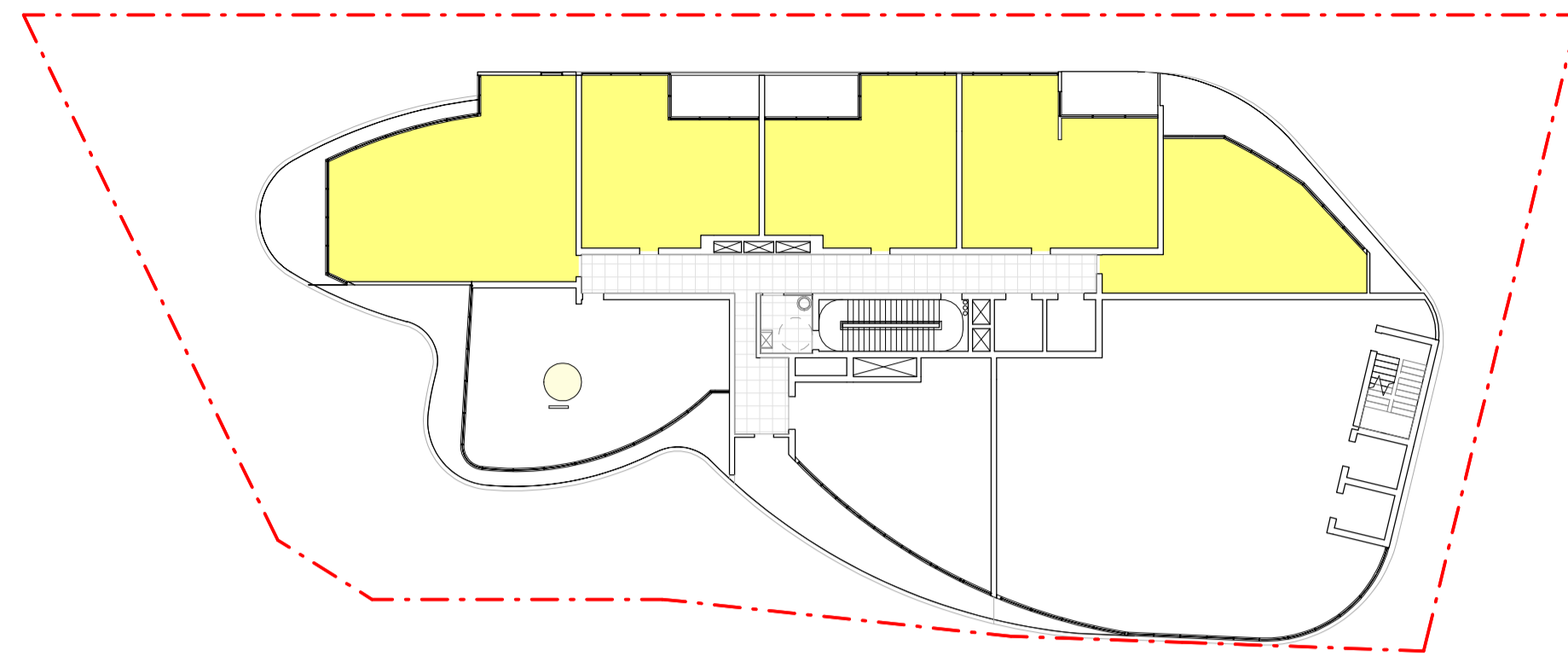
Drawing Title  
**CROSS VENT DIAGRAMS**

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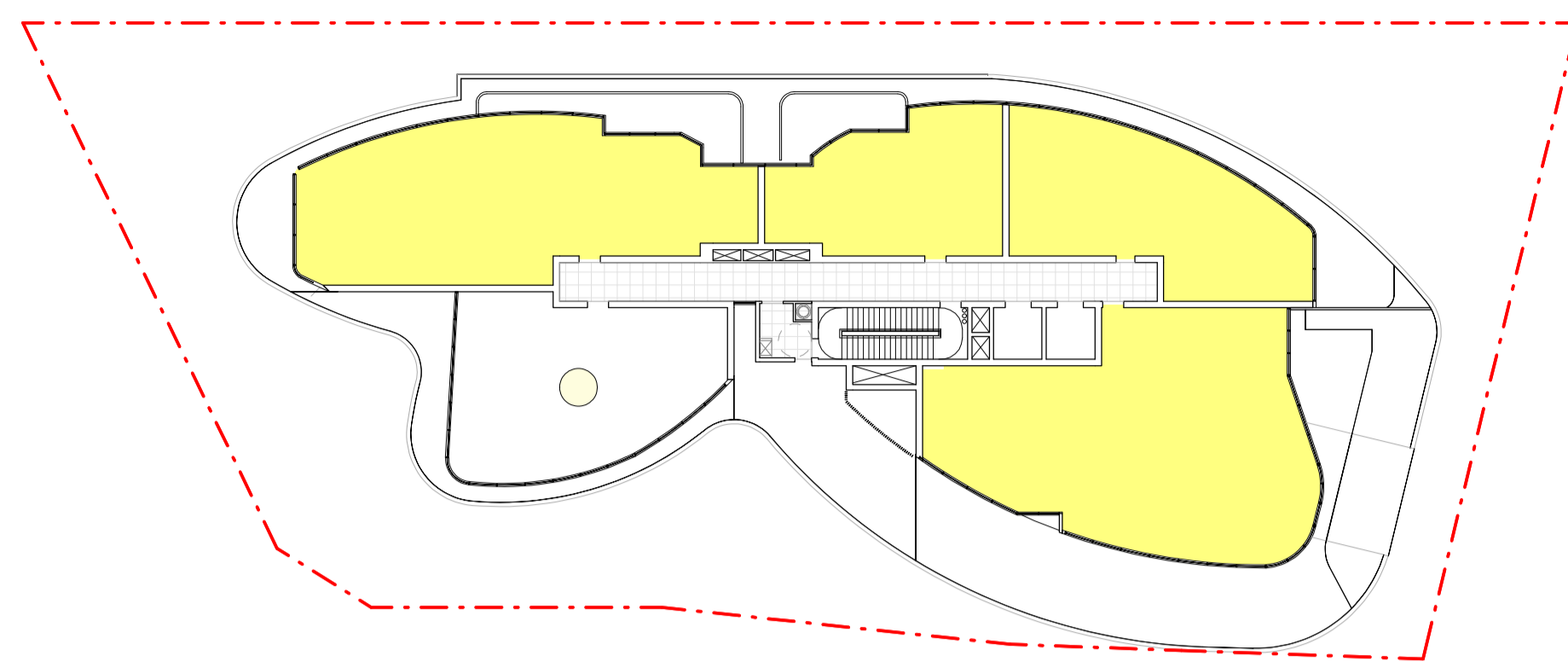
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						11/08/2021			
Scale	Project No	Drawing No	Issue						
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@A1									

03/09/2021 6:52:32 PM

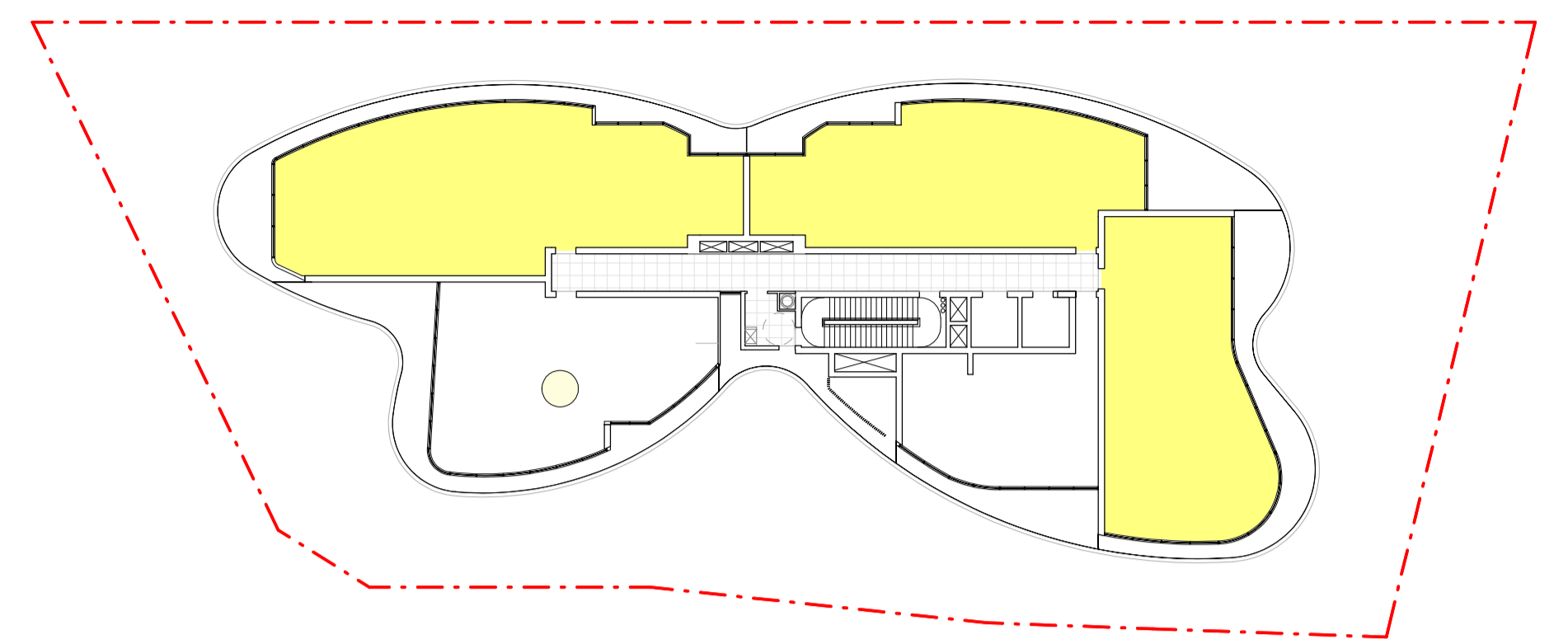




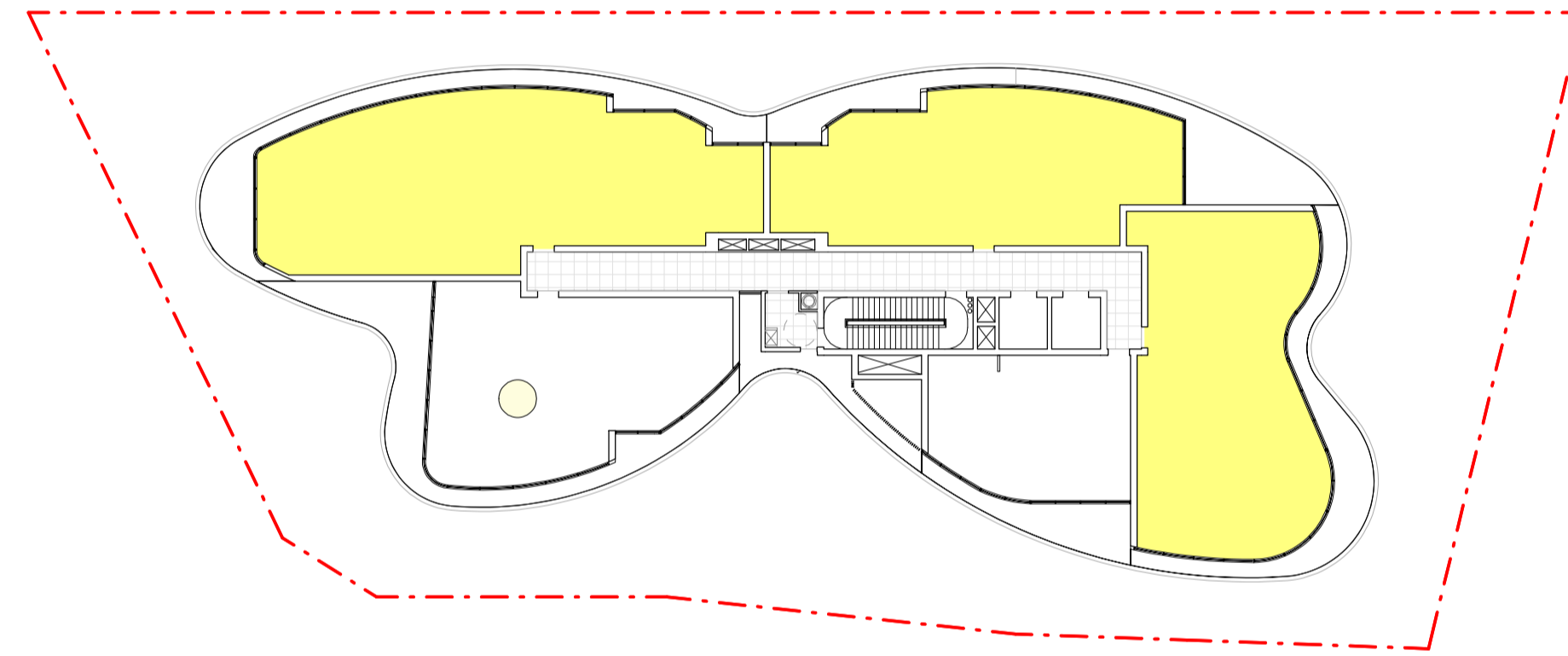
1 LEVEL 3 Solar  
1:300



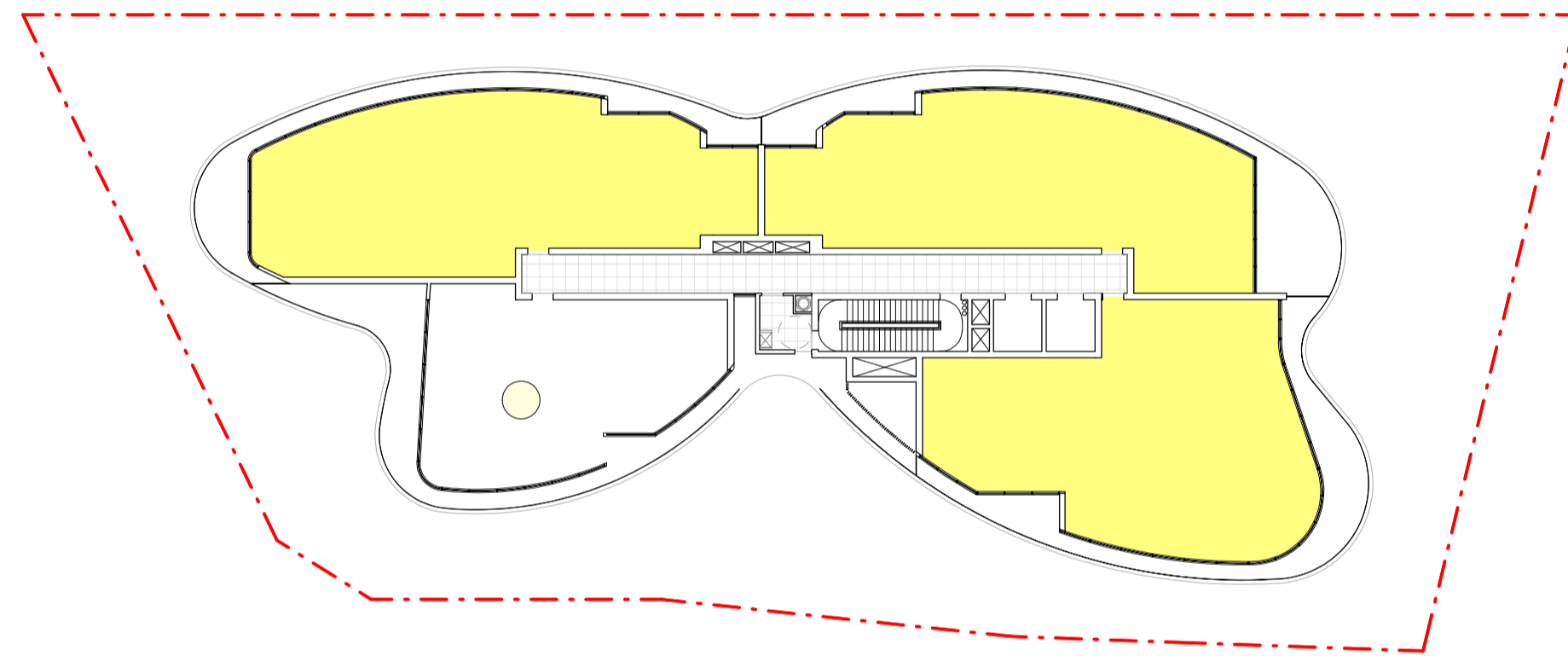
2 LEVEL 4 Solar  
1:300



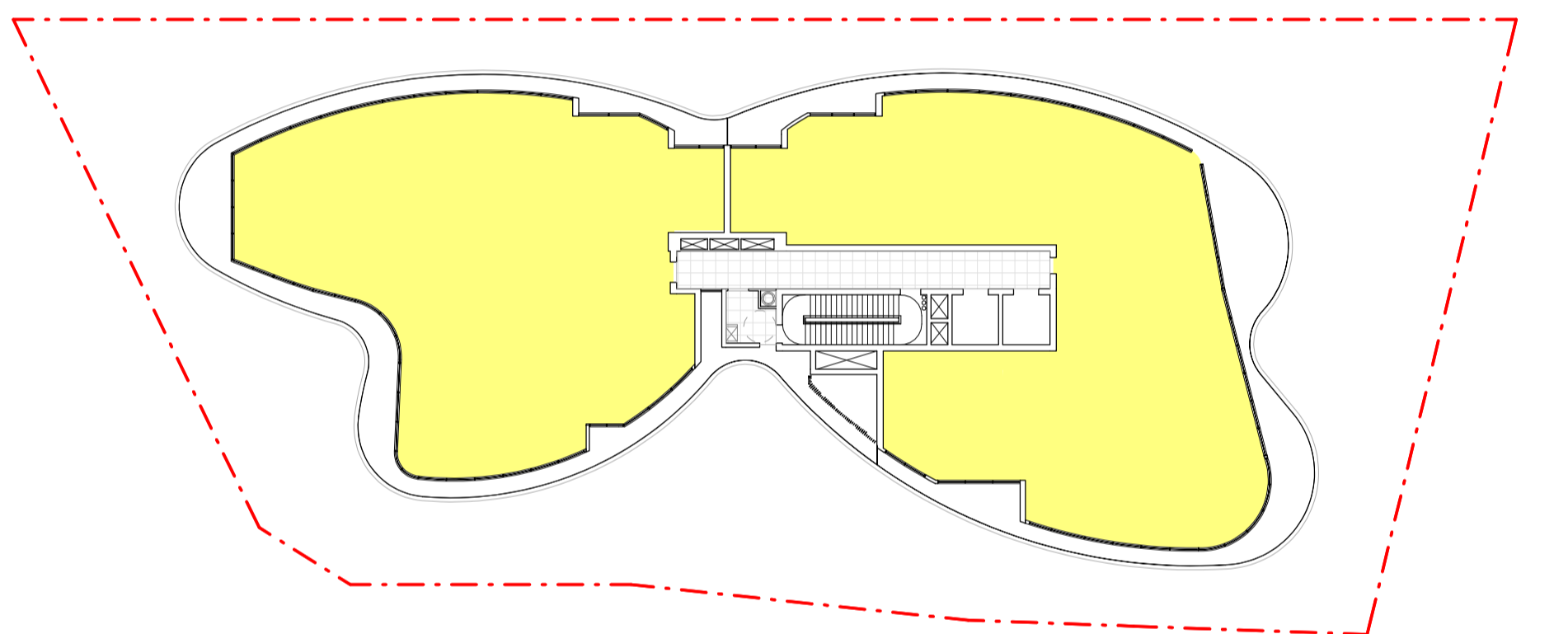
3 LEVEL 5 Solar  
1:300



4 LEVEL 6-8 Solar  
1:300



5 LEVEL 9-10 Solar  
1:300



6 LEVEL 11 Solar  
1:300

SOLAR COMPLIANCE			
LEVEL	>2 HRS OF SUNLIGHT	<2 HRS OF SUNLIGHT	0 HRS OF SUNLIGHT
Level 3	5	0	0
Level 4	4	1	0
Level 5	3	1	1
Level 6	3	1	1
Level 7	3	1	1
Level 8	3	1	1
Level 9	3	1	1
Level 10	3	1	1
Level 11	3	1	1
TOTAL:	2941	841	441
	70.7%	20%	9.8%



North Point

**FOR PLANNING PROPOSAL**

Amendments		
Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Amendments		
Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



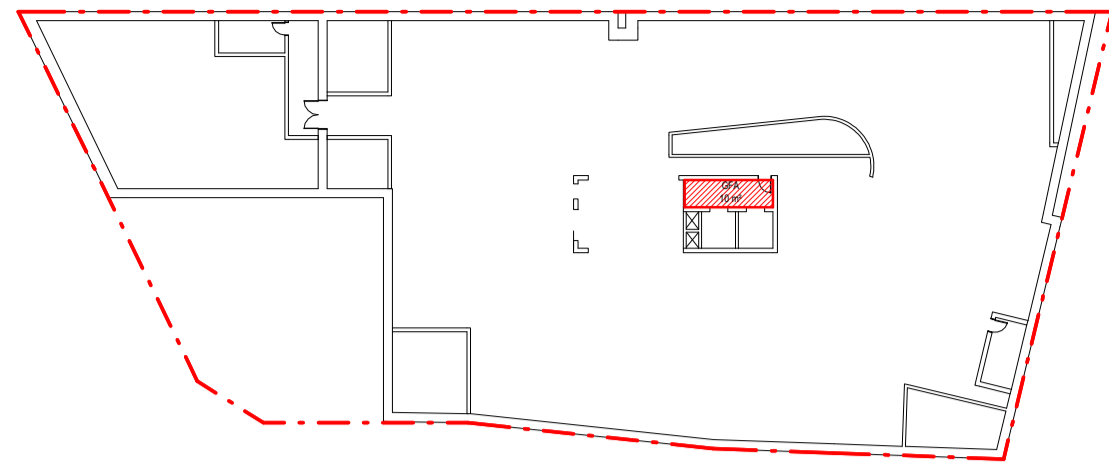
Group GSA Pty Ltd ABN 76 002 113 779  
 Level 7, 80 William St East Sydney NSW  
 Australia 2011  
 www.groupgsa.com  
 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**SOLAR DIAGRAMS**

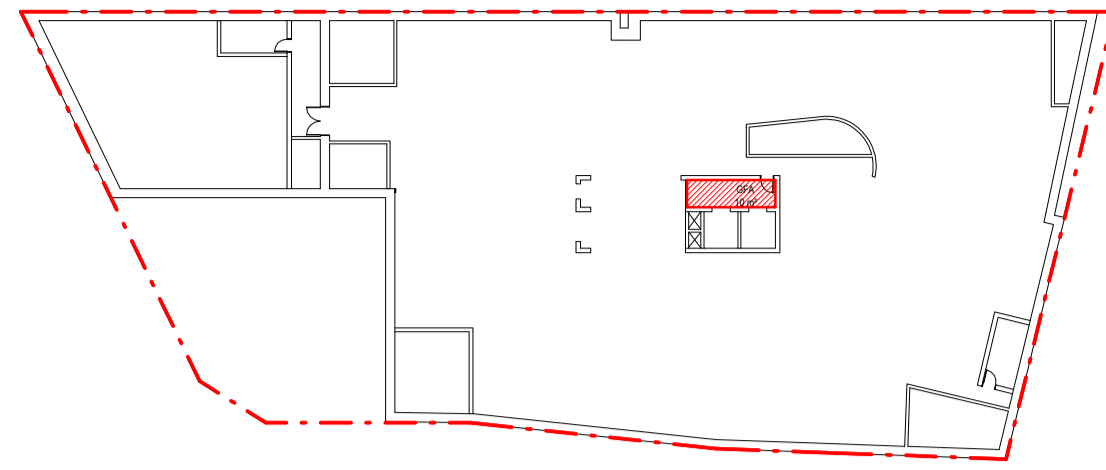
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Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	11/08/2021	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
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@A1			

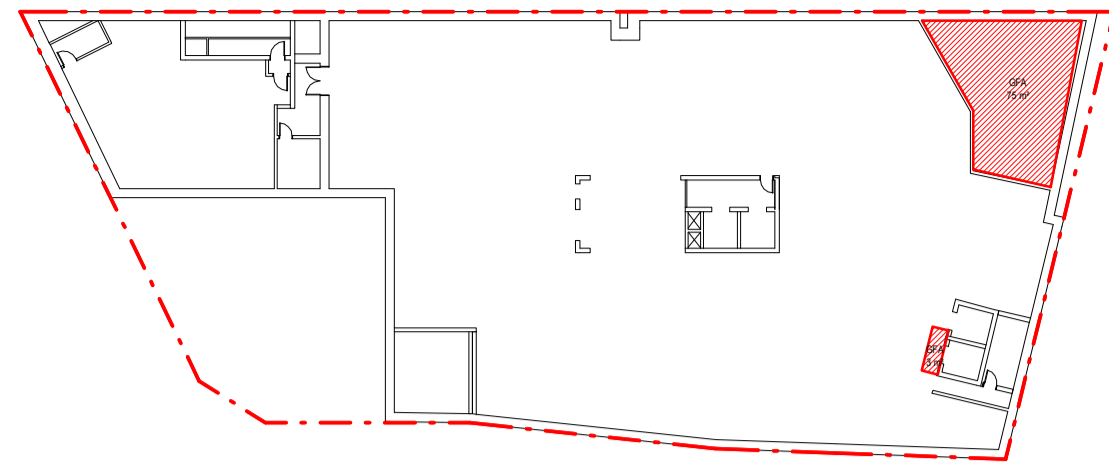
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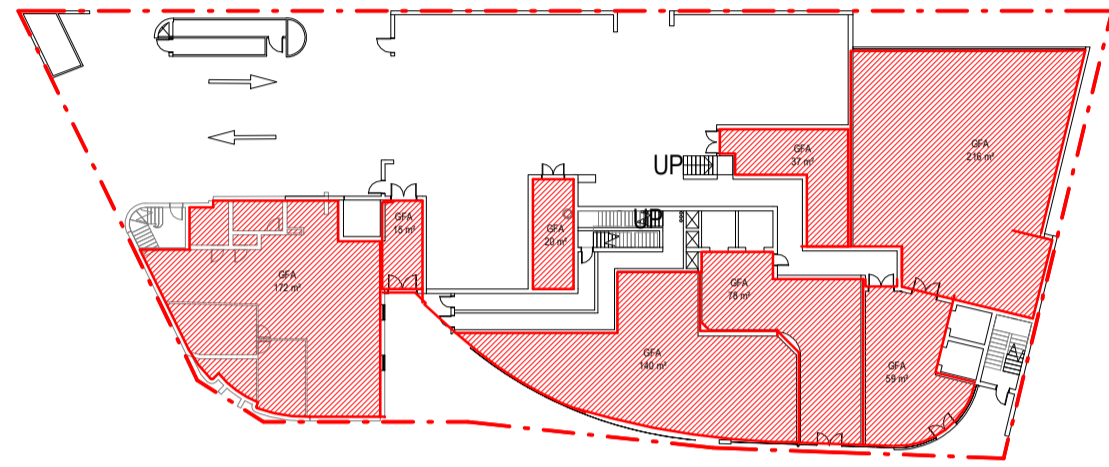
1 CAR PARK P3  
1:500



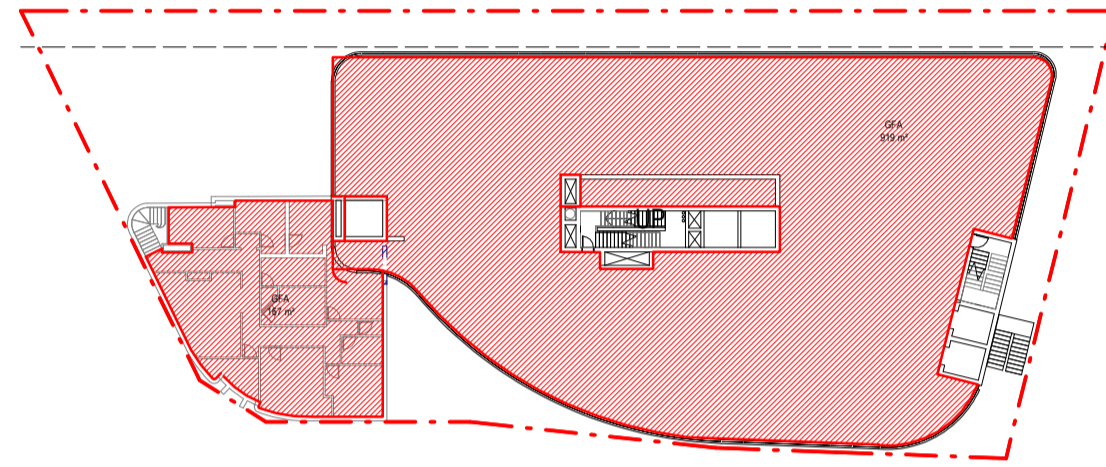
2 CAR PARK P2  
1:500



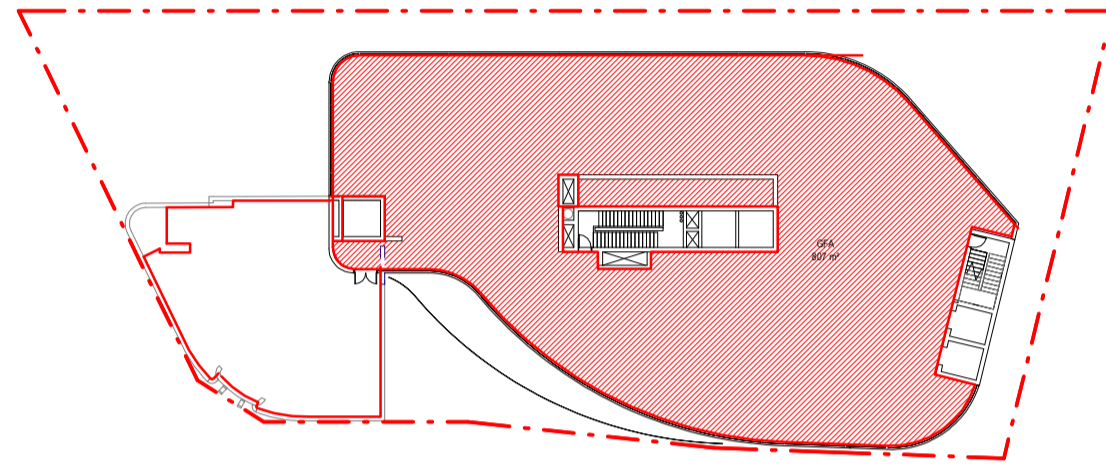
3 CAR PARK P1  
1:500



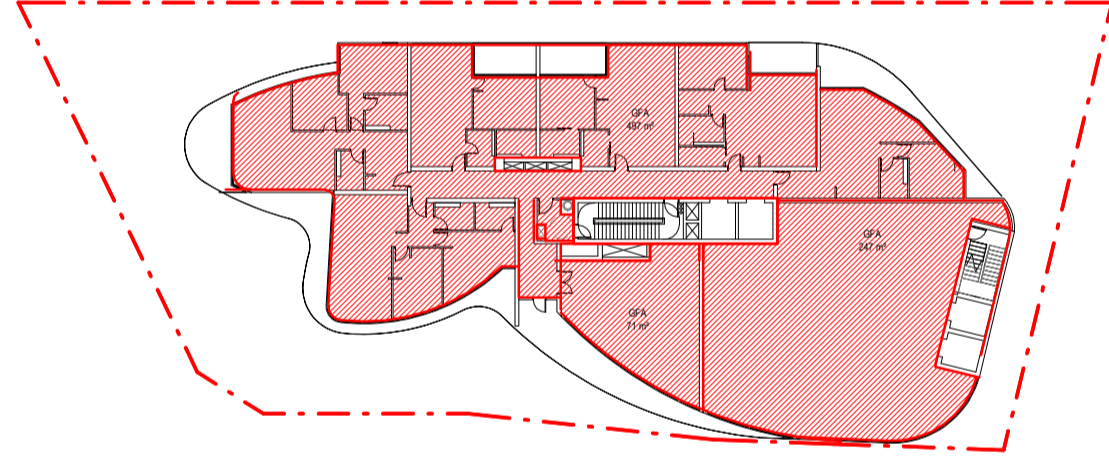
4 GROUND LEVEL  
1:500



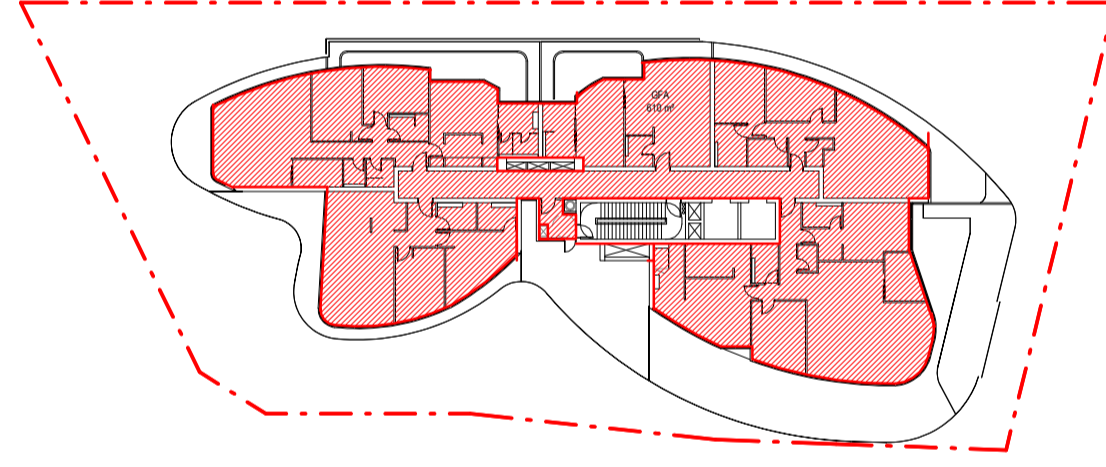
5 LEVEL 1  
1:500



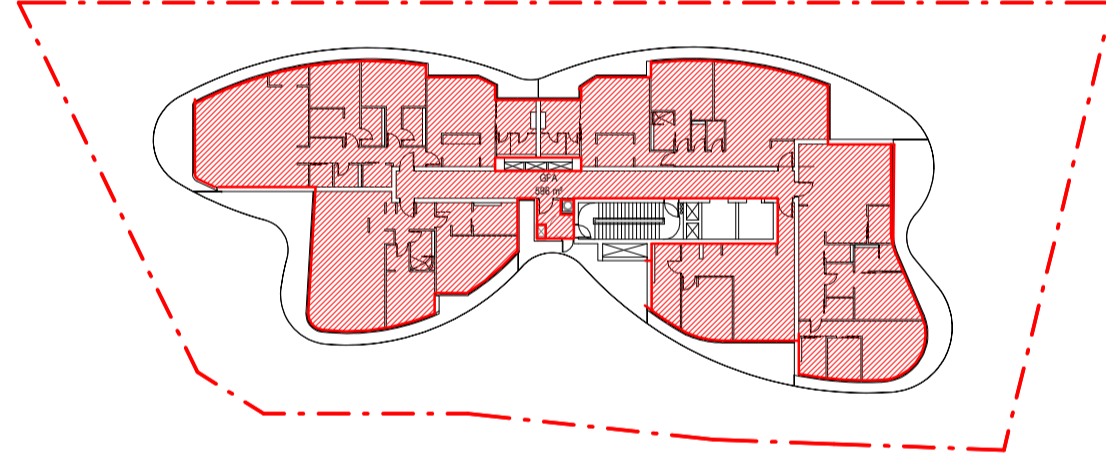
6 LEVEL 2  
1:500



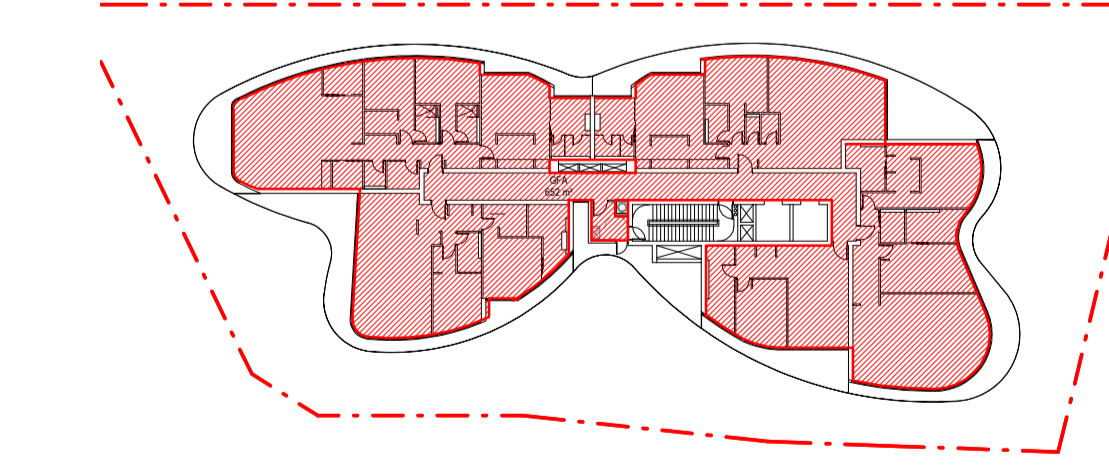
7 LEVEL 3  
1:500



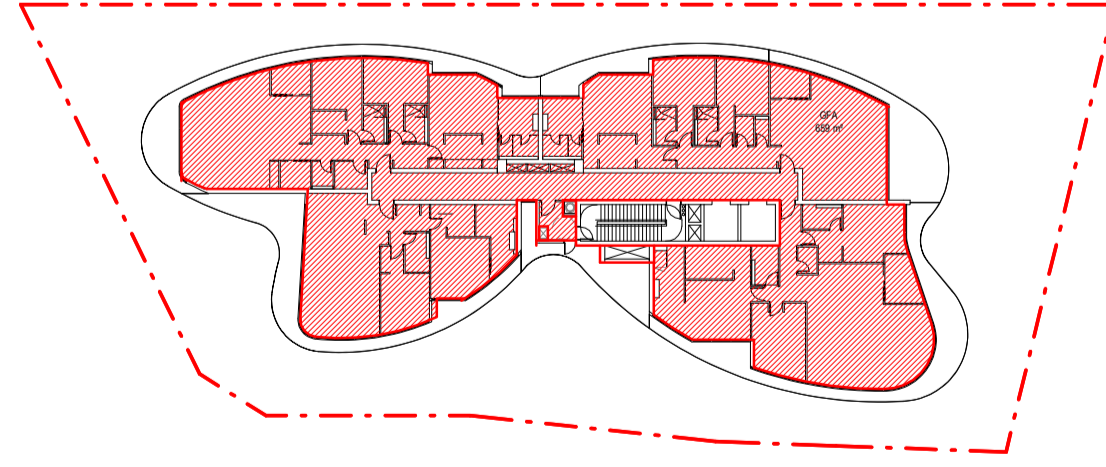
8 LEVEL 4  
1:500



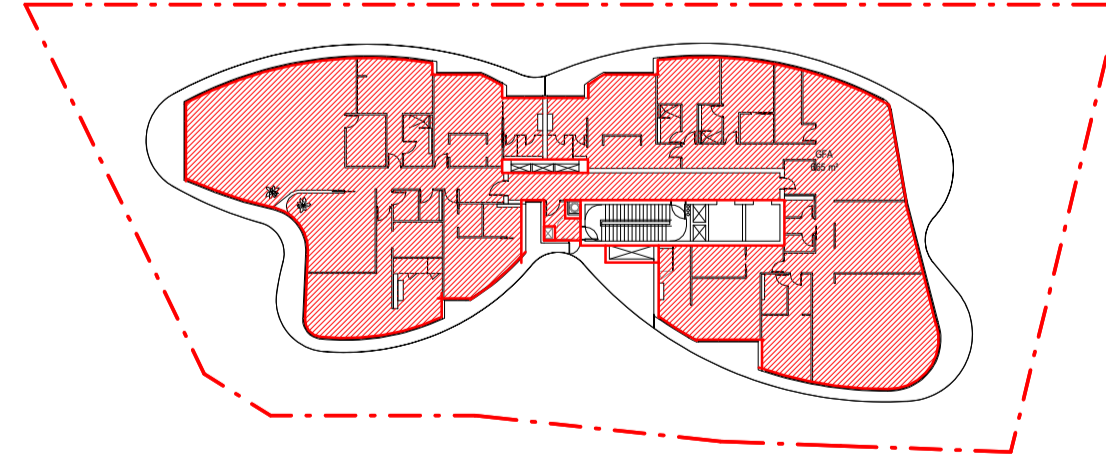
11 LEVEL 5  
1:500



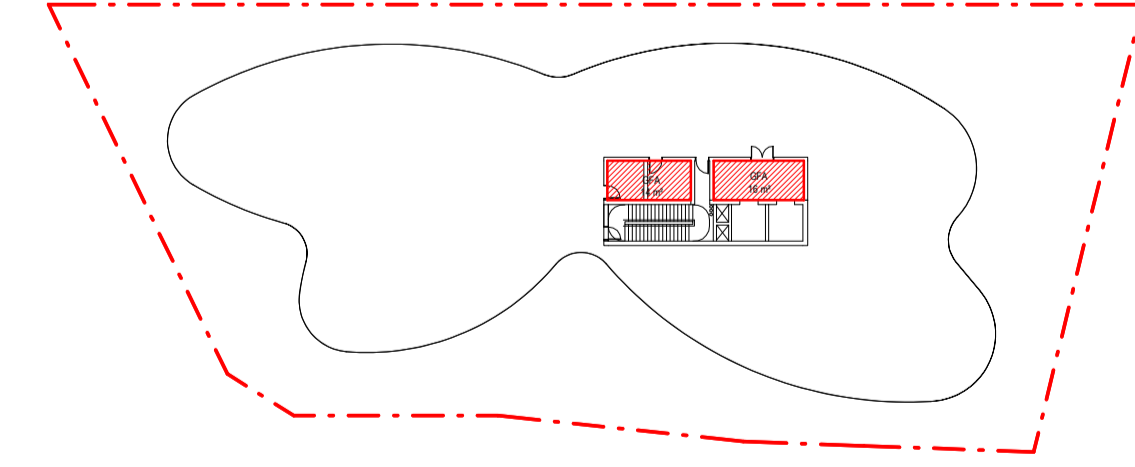
9 LEVEL 6-8  
1:500



10 LEVEL 9-10  
1:500



12 LEVEL 11  
1:500



13 ROOF  
1:500

Area Schedule (GFA)	
Area	Level
Not Placed	Not Placed
Not Placed	Not Placed
10 m <sup>2</sup>	CAR PARK P3
10 m <sup>2</sup>	CAR PARK P2
75 m <sup>2</sup>	CAR PARK P1
3 m <sup>2</sup>	CAR PARK P1
15 m <sup>2</sup>	GROUND LEVEL
172 m <sup>2</sup>	GROUND LEVEL
216 m <sup>2</sup>	GROUND LEVEL
78 m <sup>2</sup>	GROUND LEVEL
59 m <sup>2</sup>	GROUND LEVEL
140 m <sup>2</sup>	GROUND LEVEL
20 m <sup>2</sup>	GROUND LEVEL
37 m <sup>2</sup>	GROUND LEVEL
919 m <sup>2</sup>	LEVEL 1
167 m <sup>2</sup>	LEVEL 1
807 m <sup>2</sup>	LEVEL 2
497 m <sup>2</sup>	LEVEL 3
247 m <sup>2</sup>	LEVEL 3
71 m <sup>2</sup>	LEVEL 3
610 m <sup>2</sup>	LEVEL 4
596 m <sup>2</sup>	LEVEL 5
652 m <sup>2</sup>	LEVEL 6
652 m <sup>2</sup>	LEVEL 7
652 m <sup>2</sup>	LEVEL 8
659 m <sup>2</sup>	LEVEL 9
659 m <sup>2</sup>	LEVEL 10
665 m <sup>2</sup>	LEVEL 11
16 m <sup>2</sup>	ROOF
14 m <sup>2</sup>	ROOF
<b>8718 m<sup>2</sup></b>	

Amendments			Amendments		
Issue	Description	Date	Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021			

Consultant	Client
Consultant Company <sup>alls</sup>	Edgecliff Central Pty Ltd Client Details
Consultant Company <sup>alls</sup>	
Consultant Company <sup>alls</sup>	



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www.groupgsa.com

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architecture interior design urban design landscape  
nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**

Drawing Title  
**AREA PLANS - GFA**

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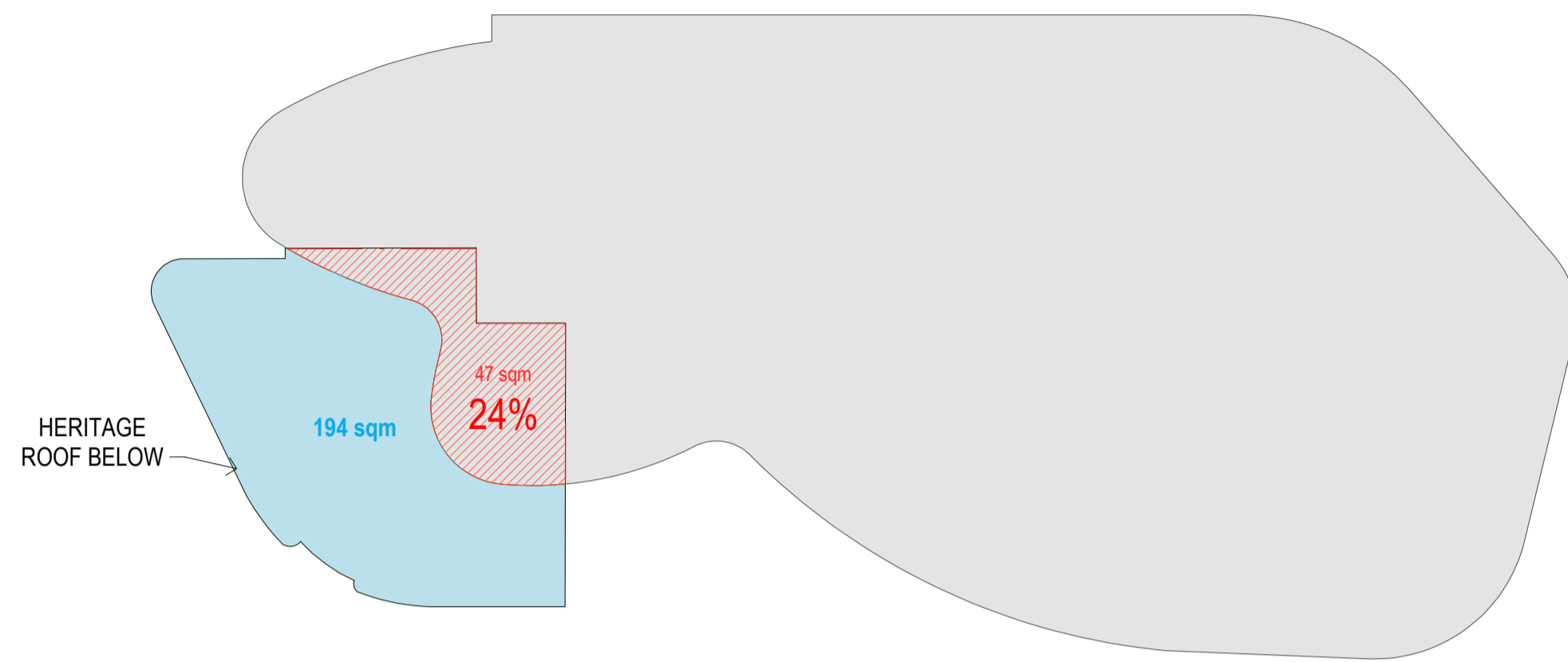
**FOR PLANNING PROPOSAL**

Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	11/08/2021	Drawing Created (by)	AE
Scale	Project No	Drawing No	Issue
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@A1			



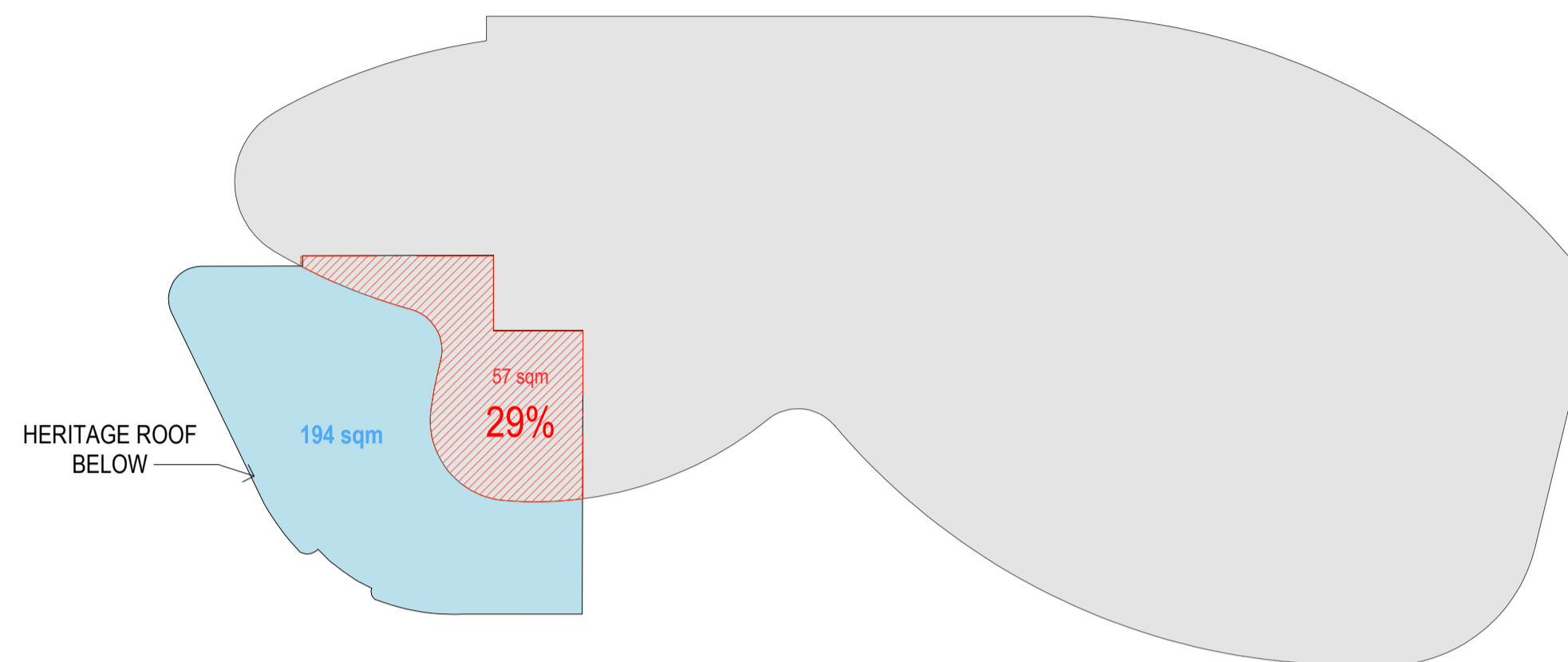
North Point

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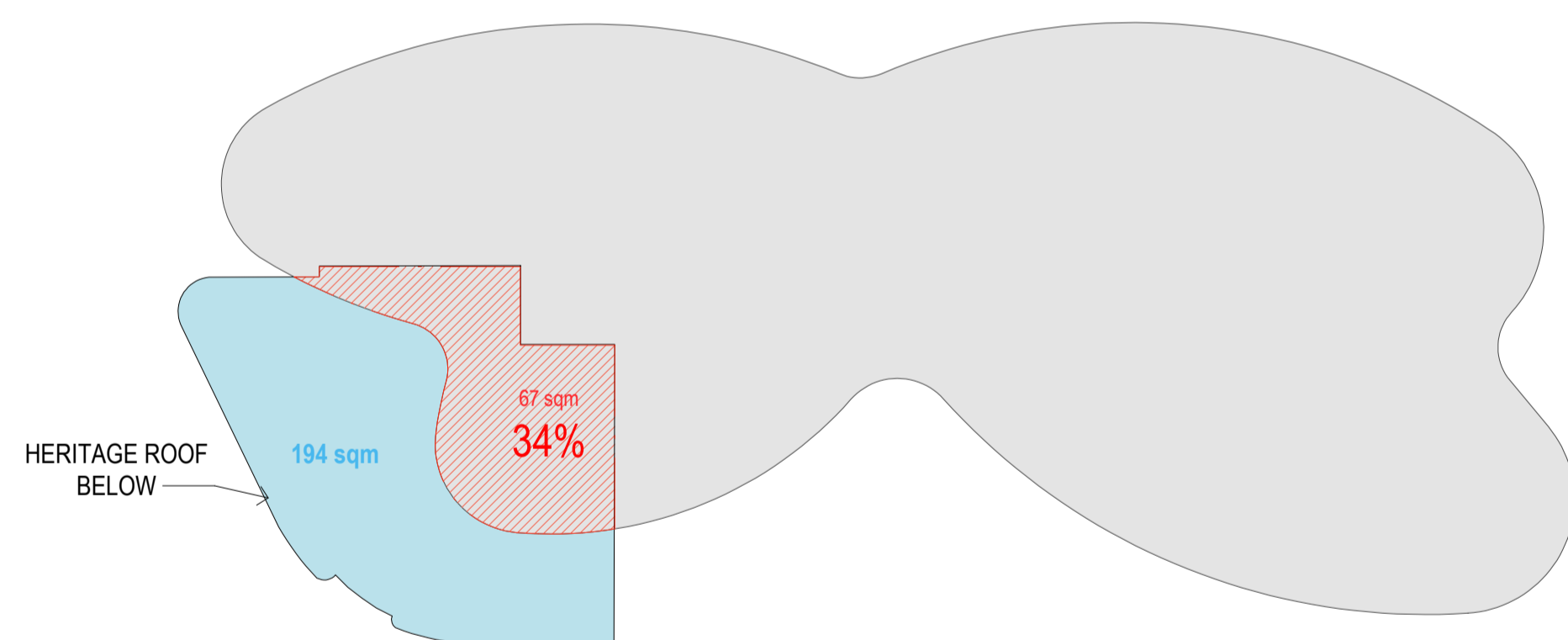
■ TOTAL EXISTING HERITAGE ROOF AREA: 194 m<sup>2</sup>  
■ CURRENT OVERLAY AREA: 47 m<sup>2</sup> (24%)

OVERLAY LEVEL 3 & HERITAGE BUILDING



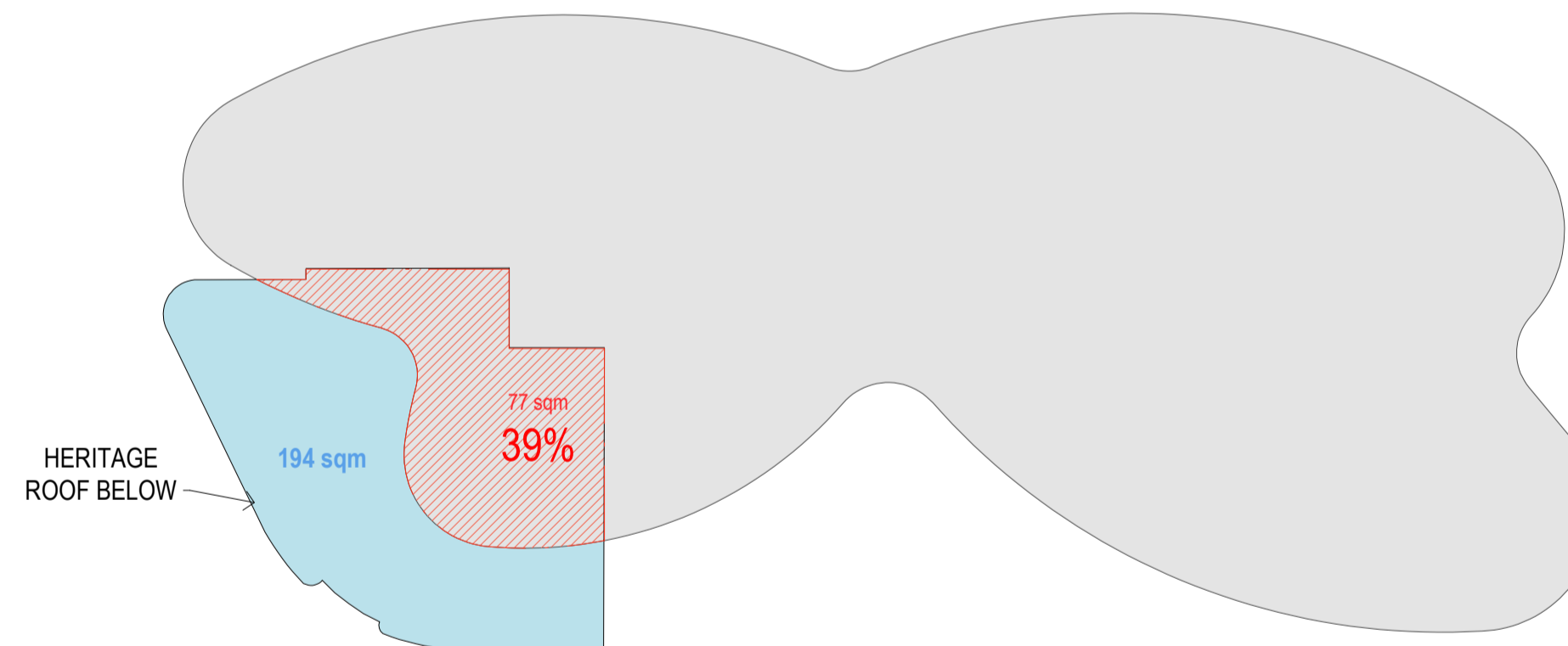
■ TOTAL EXISTING HERITAGE ROOF AREA: 194 m<sup>2</sup>  
■ CURRENT OVERLAY AREA: 57 m<sup>2</sup> (29%)

OVERLAY LEVEL 4 & HERITAGE BUILDING



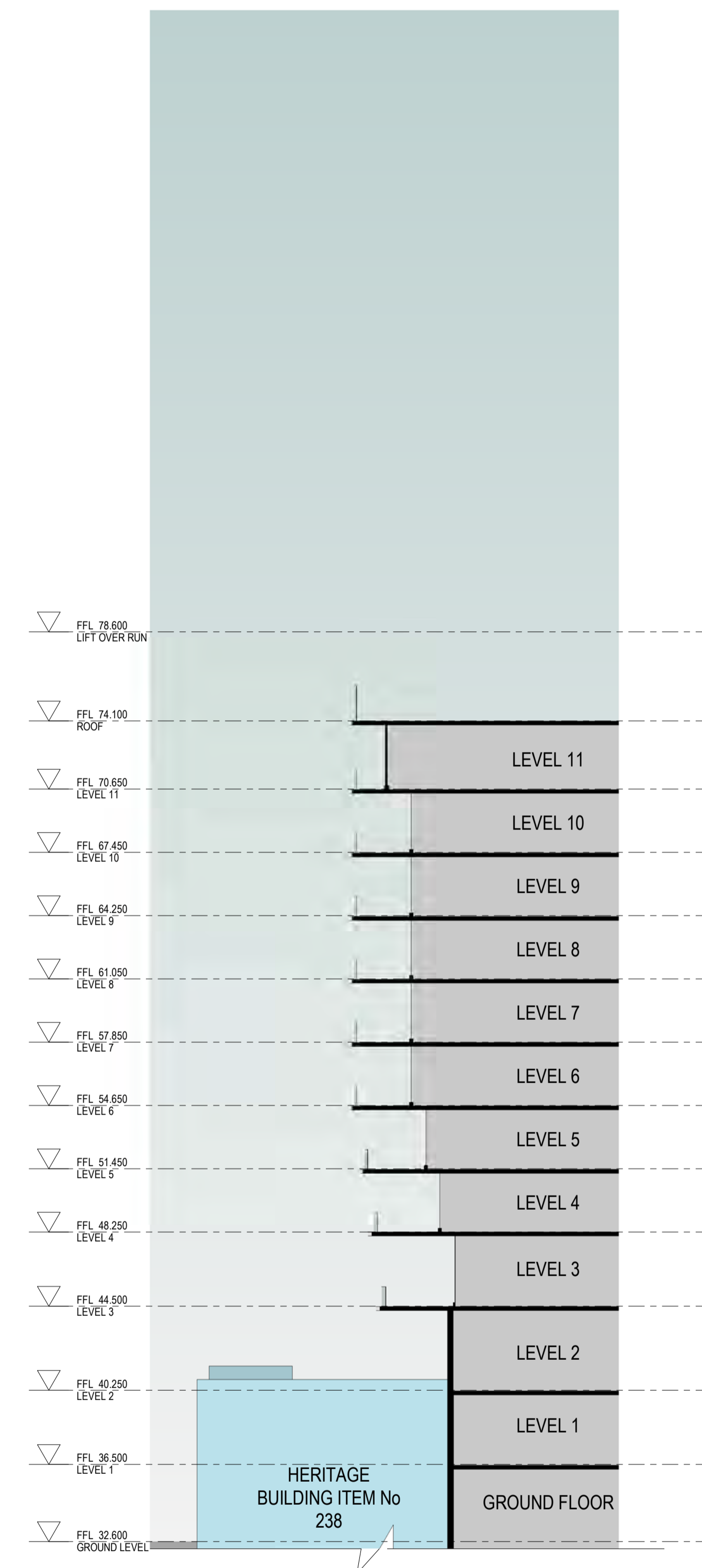
■ TOTAL EXISTING HERITAGE ROOF AREA: 194 m<sup>2</sup>  
■ CURRENT OVERLAY AREA: 67 m<sup>2</sup> (34%)

OVERLAY LEVEL 5 & HERITAGE BUILDING



■ TOTAL EXISTING HERITAGE ROOF AREA: 194 m<sup>2</sup>  
■ CURRENT OVERLAY AREA: 77 m<sup>2</sup> (39%)

TYPICAL LEVEL 6 & HERITAGE BUILDING



INDICATIVE SECTION

Amendments		
Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Consultant		Client	
Consultant	Company	Client	Edgecliff Central Pty Ltd
Company	ails	Client Details	

Consultant  
 Company  
 ails  
 Consultant  
 Company  
 ails  
**AVERAGE % OF OVERLAY : 31,5 %**



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room architect M. Sheldon 3990

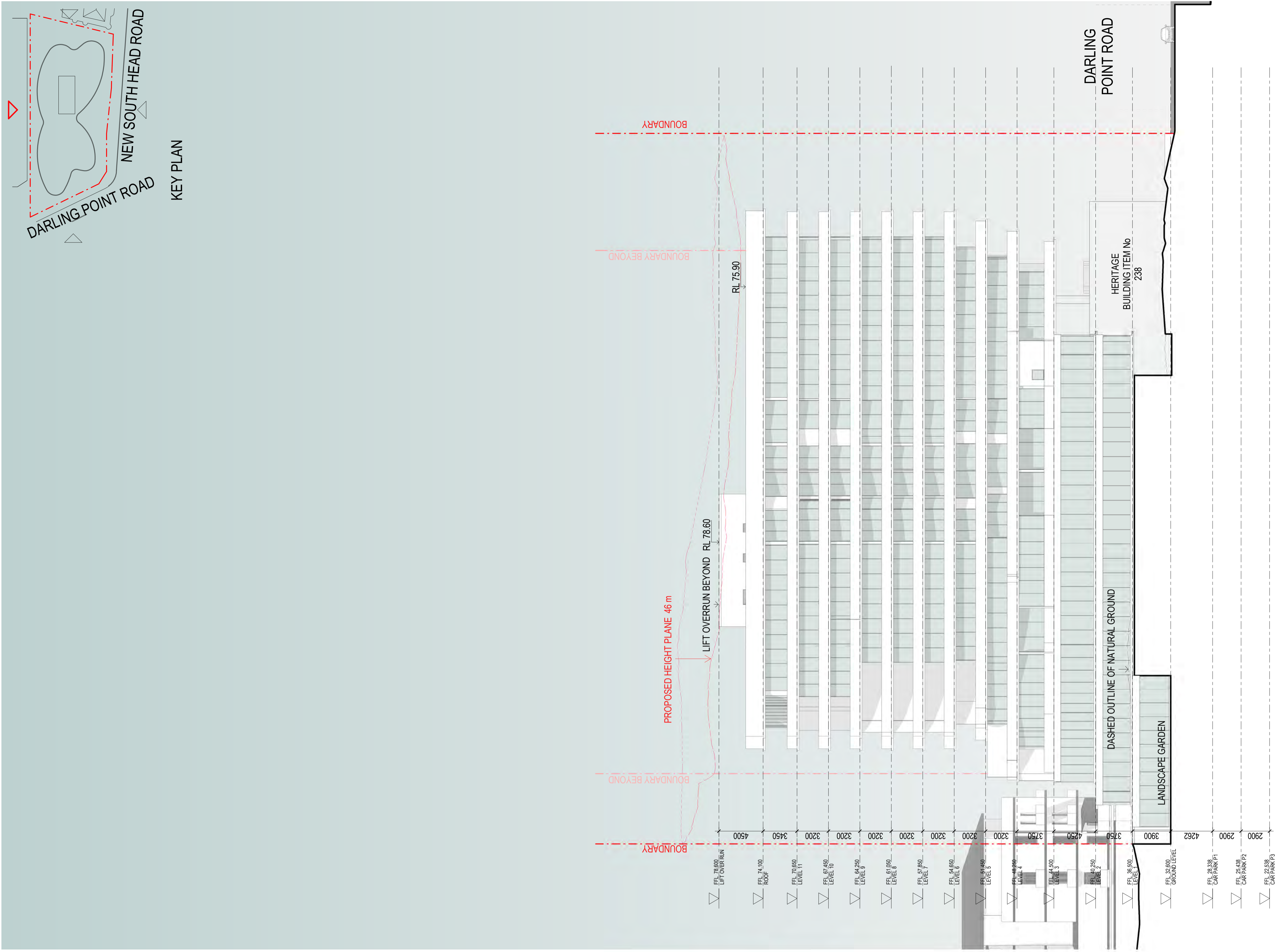
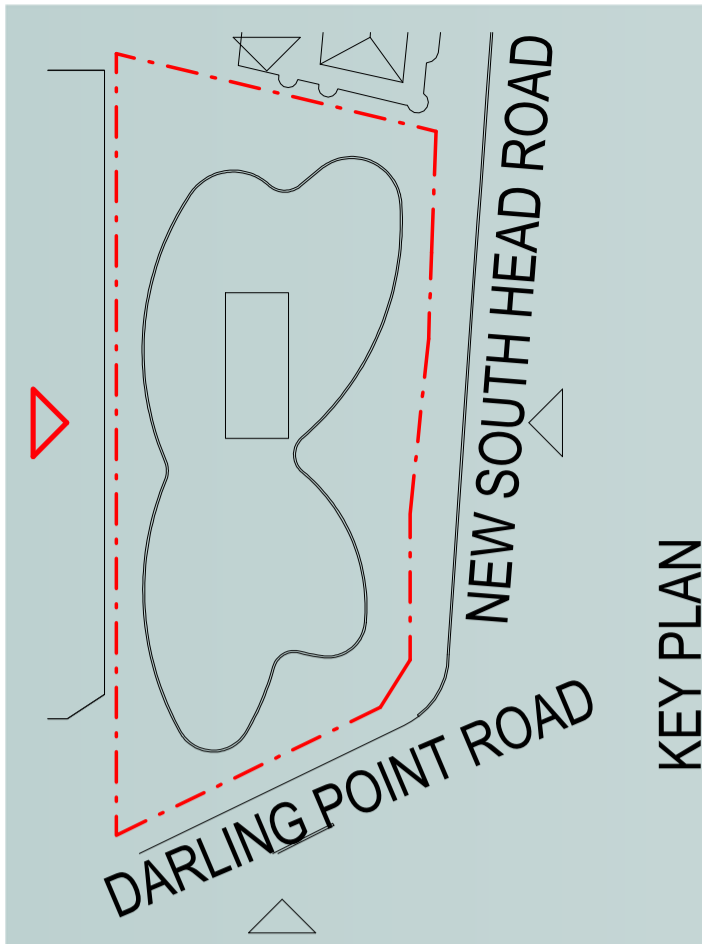
Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**HERITAGE OVERLAY STUDY**

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**FOR PLANNING PROPOSAL**

Plotted and checked by	DN
Verified	AE
Approved	Approver
Drawing Created (date)	Drawing Created (by)
04/08/2021	DN
Scale	Project No
As indicated @A1	200712
Drawing No	Issue
A2707	A

12/08/2021 12:58:52 PM



1 NORTH ELEVATION  
1:200

Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Amendments	Amendments	Date

Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
 www.groupgsa.com  
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 nom architect M. Sheldon 9990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**NORTH ELEVATION**

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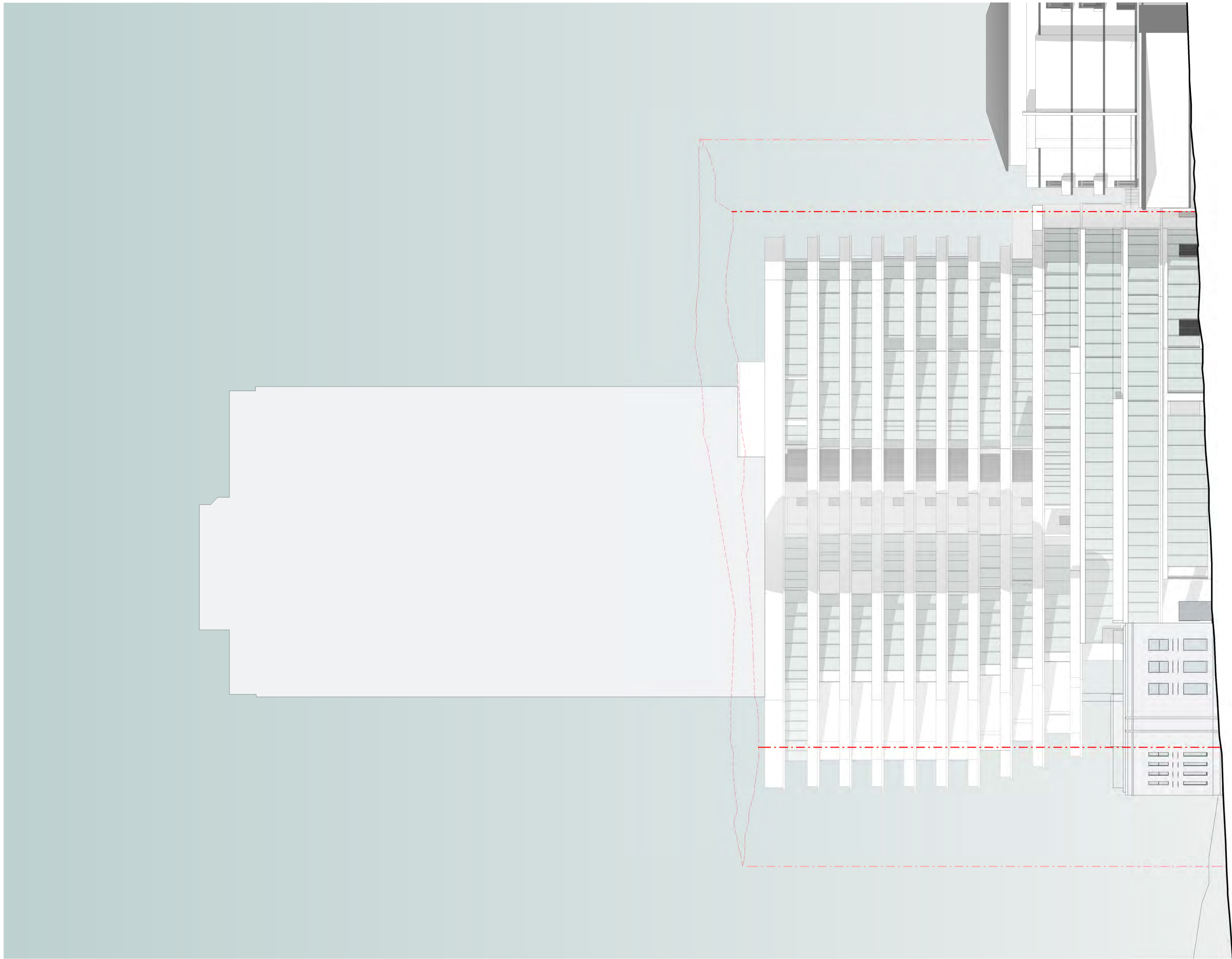
**FOR PLANNING PROPOSAL**

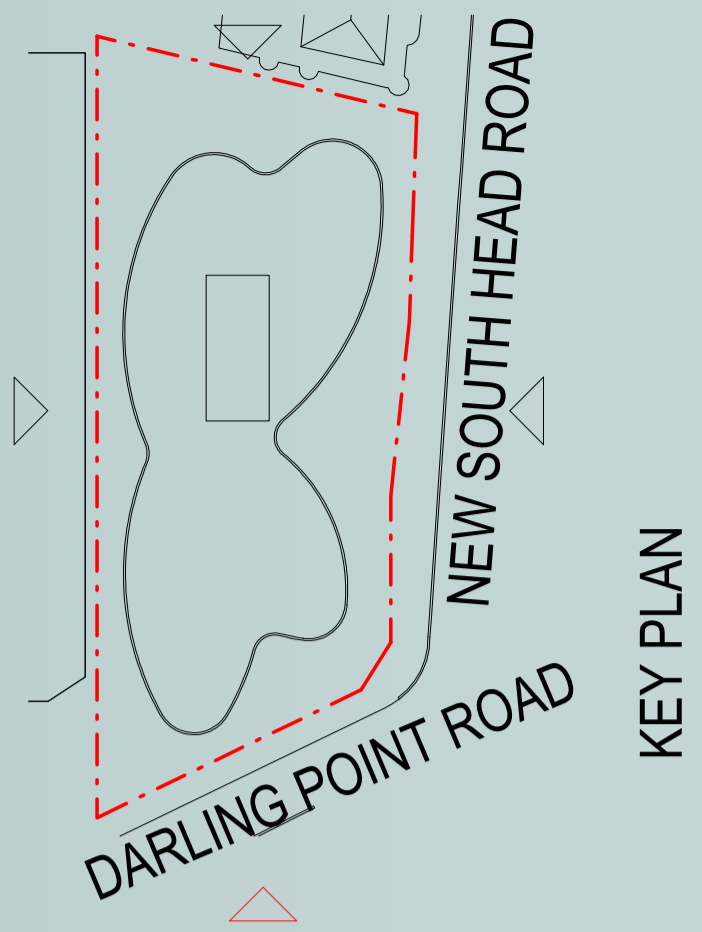
Plotted and checked by	DN
Verified	AE Approved Approver
Drawing Created (date)	Drawing Created (by) DN

11/08/2021

Scale	Project No	Drawing No	Issue
As indicated @A1	200712	A3000	A

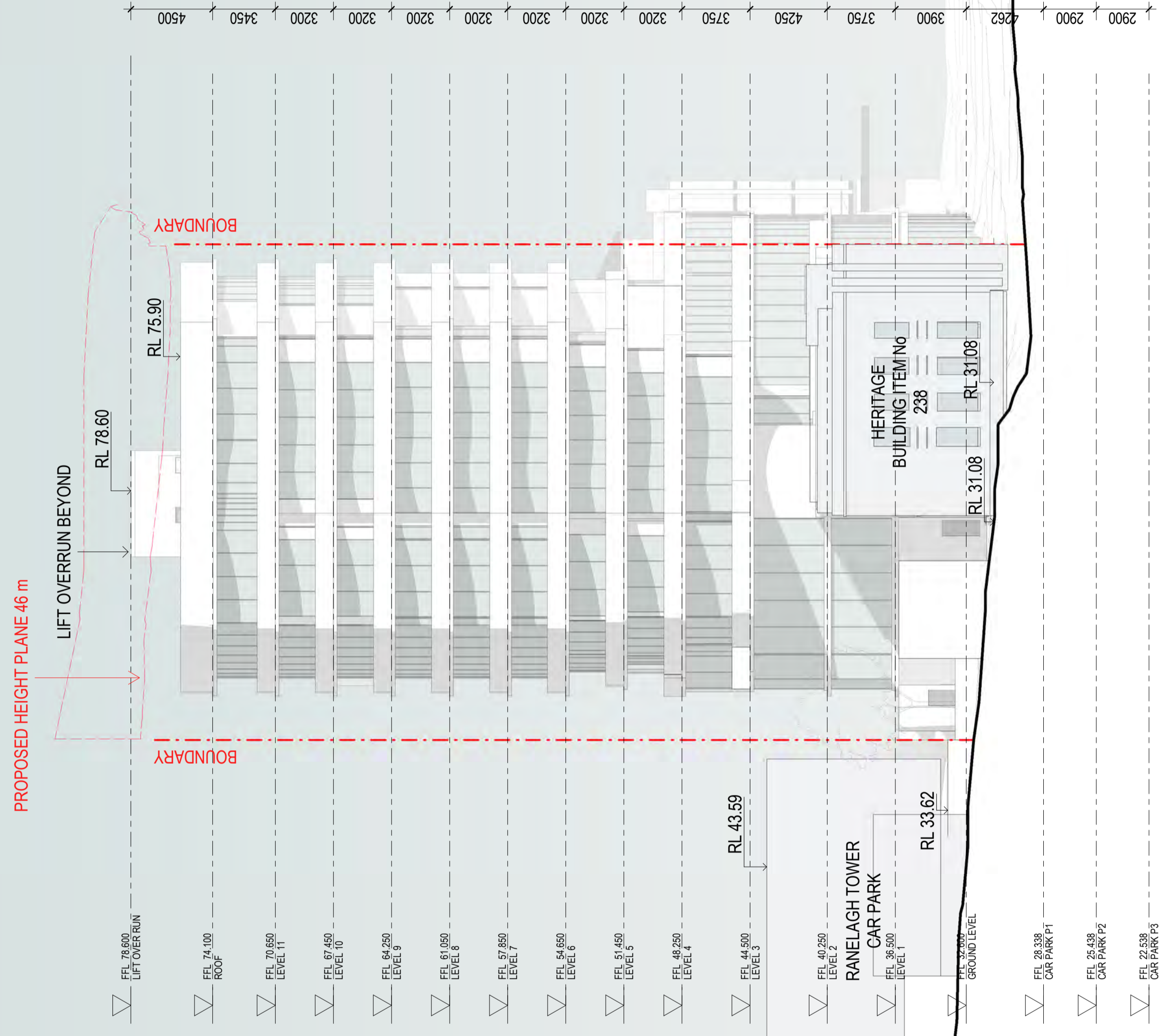
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KEY PLAN

RANELAGH TOWER



1 WEST ELEVATION  
1:200

Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Amendments	Issue	Description	Date

Consultant  
**Consultant Company**<sup>pt</sup>  
 Consultant  
**Consultant Company**<sup>pt</sup>  
 Consultant  
**Consultant Company**<sup>pt</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
 www.groupgsa.com  
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 architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

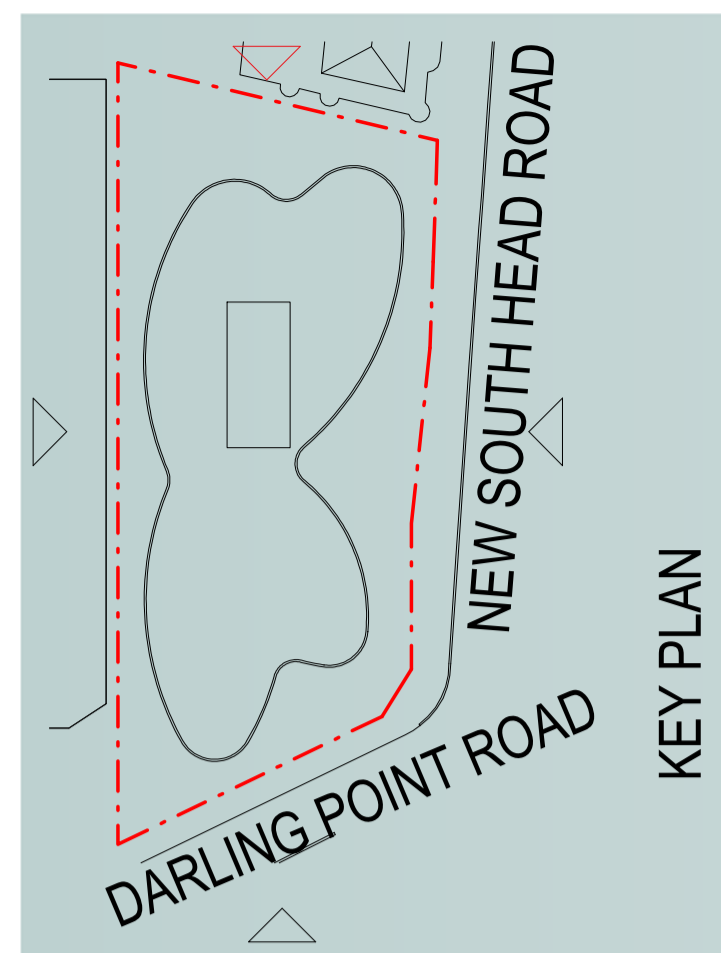
Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**WEST ELEVATION**

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**FOR PLANNING PROPOSAL**

Plotted and checked by	DN		
Verified	AE		
Approved	Approver		
Drawing Created (date)	Drawing Created (by)		
11/08/2021	DN		
Scale	Project No	Drawing No	Issue
As indicated @A1	200712	A3002	A

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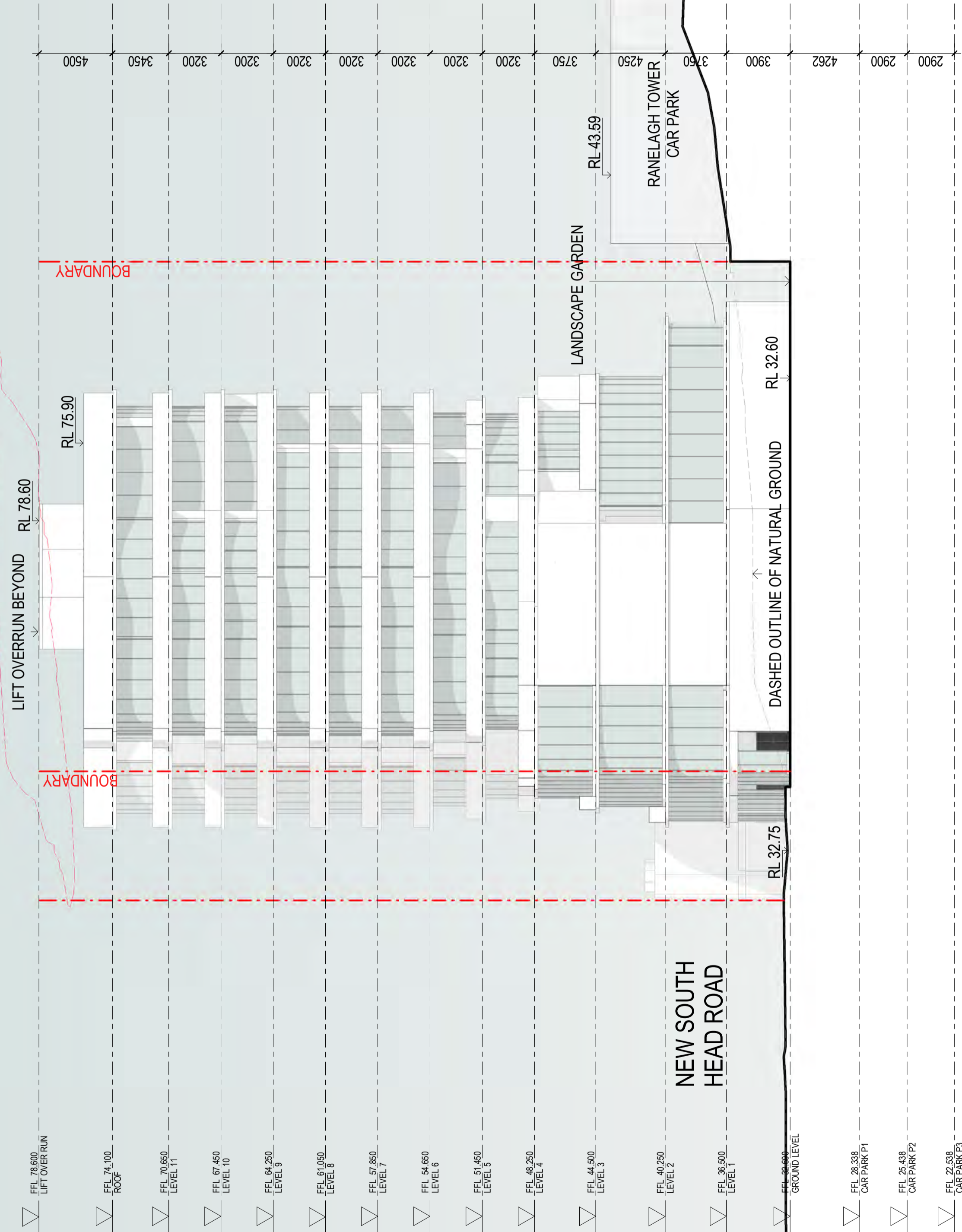


KEY PLAN

RANELAGH TOWER

PROPOSED HEIGHT PLANE 46 m

EDGECLIFF CENTRE



1 EAST ELEVATION  
1:200

Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Issue	Description	Date

Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>  
 Consultant  
**Consultant Company**<sup>ptl</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
 www.groupgsa.com

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architecture interior design urban design landscape  
 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**

Drawing Title  
**EAST ELEVATION**

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**FOR PLANNING PROPOSAL**

Plotted and checked by DN

Verified AE Approved Approver

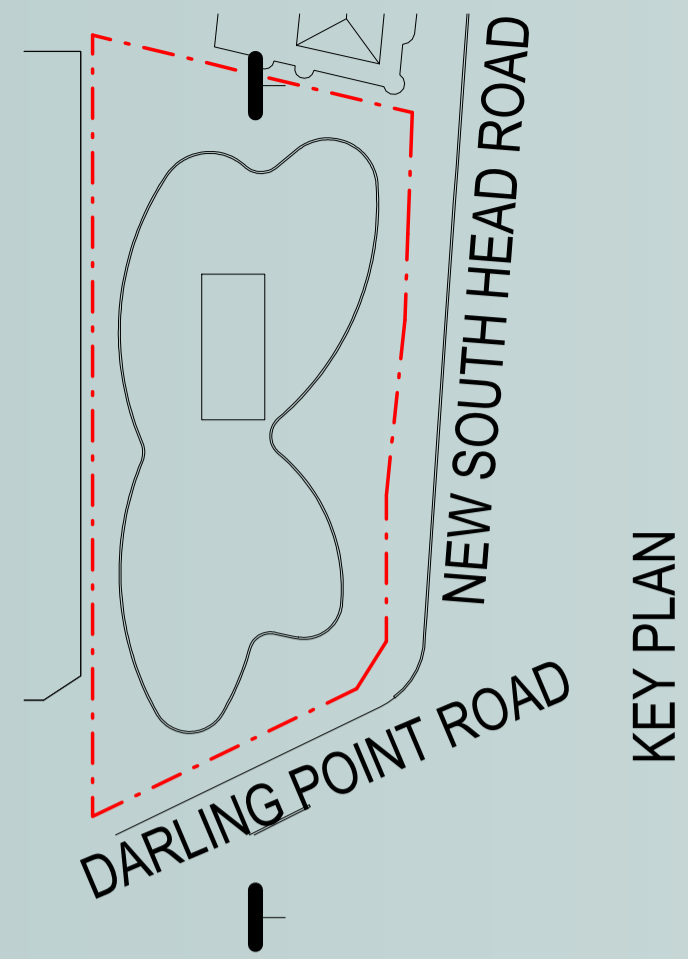
Drawing Created (date) Drawing Created (by) DN

11/08/2021

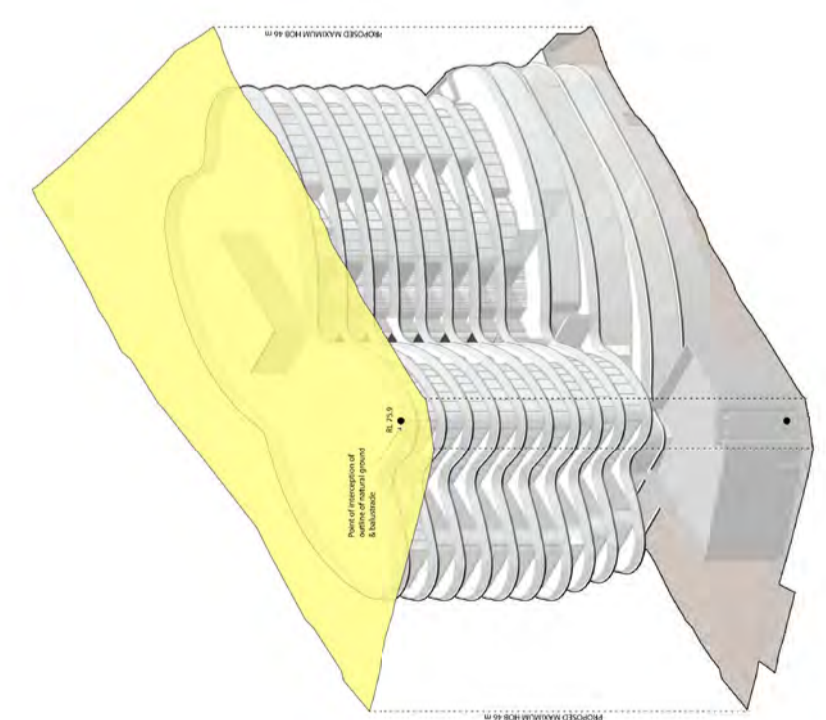
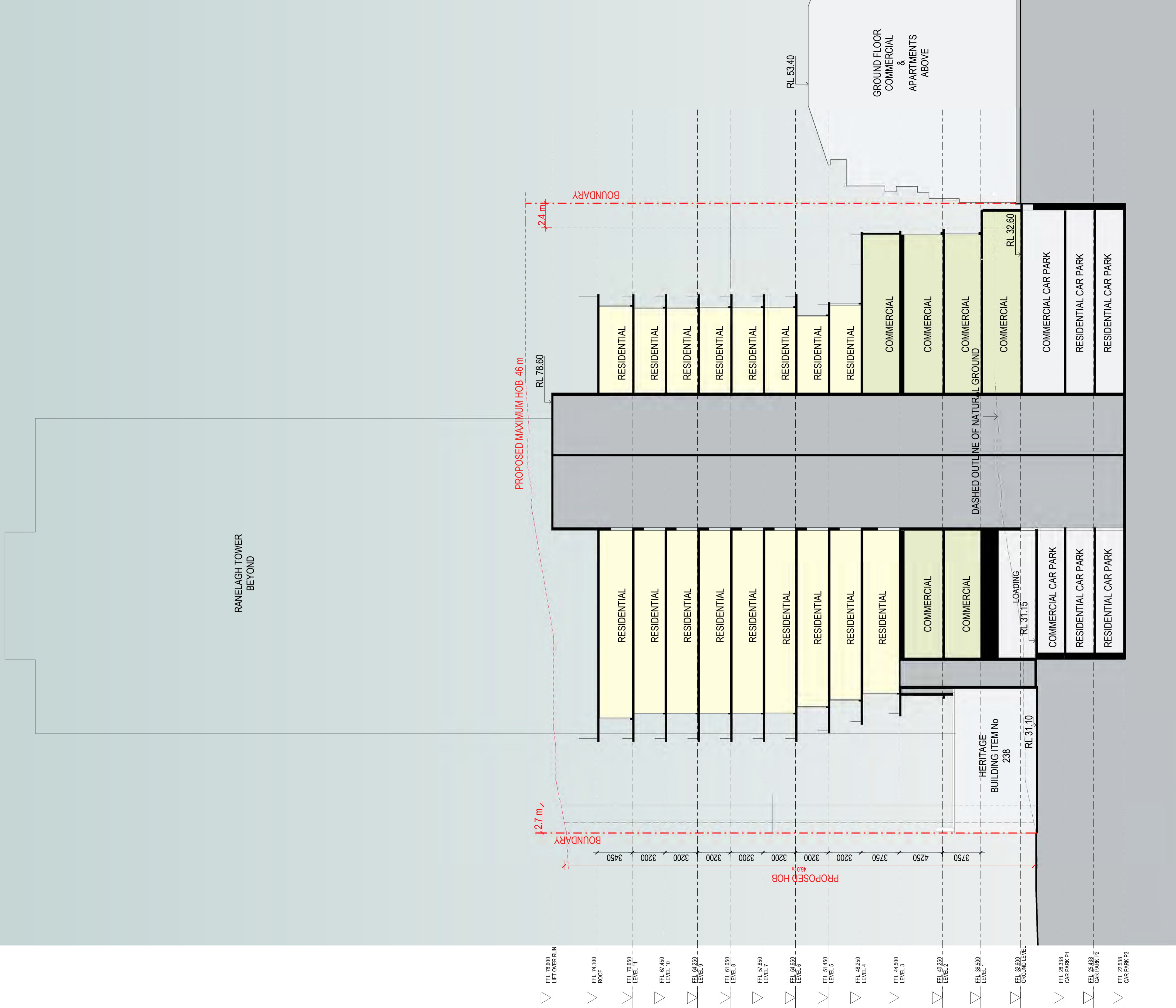
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As indicated @A1 200712 A3003 A

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KEY PLAN



PROPOSED HOB 3D DIAGRAM

Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Amendments	Issue	Description	Date

Consultant  
**Consultant Company**<sup>pt</sup>  
 Consultant  
**Consultant Company**<sup>pt</sup>  
 Consultant  
**Consultant Company**<sup>pt</sup>

Client  
**Edgecliff Central Pty Ltd**  
 Client Details



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 Australia 2011  
 www.groupgsa.com  
 T +612 9361 4144 F +612 9332 3458  
 architecture interior design urban design landscape  
 nom architect M. Sheldon 6990

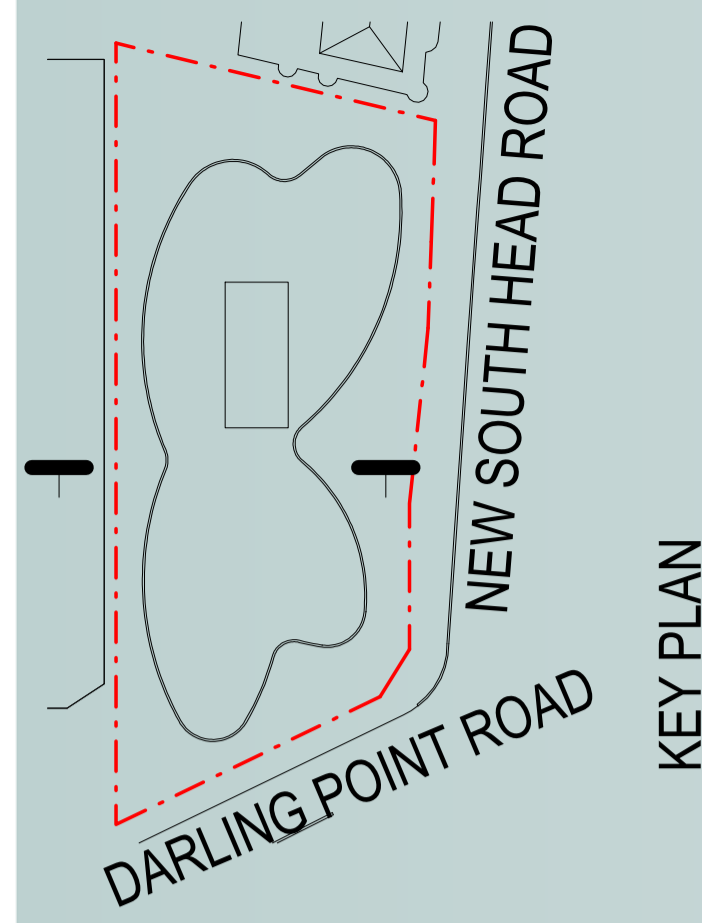
Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**LONG SECTION A-A**

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FOR PLANNING PROPOSAL			
Plotted and checked by	DN	Approved	Approver
Verified	AE	Approved	Approver
Drawing Created (date)	10/08/21	Drawing Created (by)	DN
Scale	Project No	Drawing No	Issue
As indicated @A1	200712	A3100	A

McBride & Partners





KEY PLAN

RANELAGH TOWER



Issue	Description	Date
A	FOR PLANNING PROPOSAL	03/09/2021

Amendments	Date

Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>  
 Consultant  
**Consultant Company**<sup>ptals</sup>

Client  
 Edgecliff Central Pty Ltd  
 Client Details



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 nom architect M. Sheldon 3990

Project Title  
**EDGECLIFF TOWER**  
 Drawing Title  
**SHORT SECTION B-B**

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**FOR PLANNING PROPOSAL**

Plotted and checked by	DN
Verified	AE
Approved	Approver
Drawing Created (date)	Drawing Created (by)
10/08/21	DN
Scale	Project No
As indicated @A1	200712
Drawing No	Issue
A3101	A

M:\Projects\1202006

## Dennis Meyer

---

**From:** Dennis Meyer  
**Sent:** Tuesday, 22 March 2022 11:14 AM  
**To:** 'Richard Pearson'; Tom O'Hanlon  
**Cc:** Andrew Boyarsky; Carl Reid; Armodee Reece  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA  
**Attachments:** Hill PDA letter re CBRE Value capture methodology.pdf

Richard / Tom,

As requested we have asked Hill PDA to prepare a letter with more information regarding the reasons why an open book feasibility method is better suited to determining land value uplift rather than the comparative method being used by CBRE.

Please refer to attached letter.

### DENNIS MEYER

#### ANKA PROPERTY GROUP

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PO BOX 727  
Edgecliff NSW 2027

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P +61 2 9302 3000

[dennism@ankaproperty.com](mailto:dennism@ankaproperty.com)

[ankaproperty.com](http://ankaproperty.com)



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---

**From:** Richard Pearson <Richard.Pearson@woollahra.nsw.gov.au>  
**Sent:** Friday, 18 March 2022 11:31 AM  
**To:** Dennis Meyer <DennisM@ankaproperty.com>; Tom O'Hanlon <Tom.OHanlon@woollahra.nsw.gov.au>  
**Cc:** Andrew Boyarsky <AndrewB@ankaproperty.com>; Carl Reid <carl@reidvesely.com.au>; Armodee Reece <Armodee.Reece@woollahra.nsw.gov.au>  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Hi Dennis and Team

Following yesterday's meeting, I confirm that we have asked CBRE to undertake a Residual Land Value analysis using the same methodology as Hill PDA. We will be in touch once this has been received and reviewed, I anticipate in the next 2 weeks or so.

We will defer sending any further elements of the CBRE review already undertaken until after the feasibility assessment has been undertaken.

Council reserves its position on the quantum of value uplift it will be seeking until the outcomes of this additional analysis have been received and considered.

Regards

Richard



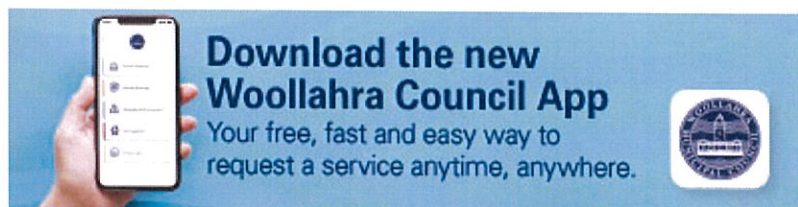
**Richard Pearson**  
**Development Manager – Strategic Properties**

Woollahra Municipal Council  
536 New South Head Road, Double Bay NSW 2028

**e:** [Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au) **w:** [www.woollahra.nsw.gov.au](http://www.woollahra.nsw.gov.au)

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**From:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>

**Sent:** Friday, 18 March 2022 9:18 AM

**To:** Tom O'Hanlon <[Tom.OHanlon@woollahra.nsw.gov.au](mailto:Tom.OHanlon@woollahra.nsw.gov.au)>; Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>

**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; Carl Reid <[carl@reidvesely.com.au](mailto:carl@reidvesely.com.au)>

**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Also included in the report accessed via the link are CGI's of the proposed concept development. Refer to pages 7, 12, 15, 20, 28, 30. Plans start on page 34.

Please confirm receipt.

**DENNIS MEYER**

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**From:** Dennis Meyer  
**Sent:** Thursday, 17 March 2022 5:53 PM  
**To:** [Tom.OHanlon@woollahra.nsw.gov.au](mailto:Tom.OHanlon@woollahra.nsw.gov.au); Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; Carl Reid <[carl@reidvesely.com.au](mailto:carl@reidvesely.com.au)>  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Tom/ Richard,

Apparently some of the files corrupted when I extracted them.  
Try this link to the full drawing document. The drawings are at the end.

<https://www.dropbox.com/s/gztnoq5gi28uoqs/Appendix%20D%20Planning%20Proposal%20Concept%20Report%20with%20plans.pdf?dl=0>

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**From:** Dennis Meyer  
**Sent:** Thursday, 17 March 2022 5:31 PM  
**To:** [Tom.OHanlon@woollahra.nsw.gov.au](mailto:Tom.OHanlon@woollahra.nsw.gov.au); Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; Carl Reid <[carl@reidvesely.com.au](mailto:carl@reidvesely.com.au)>  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Tom / Richard,

Can you please just confirm you received the PP plans I just emailed as it was a large file and I want to make sure it didn't get rejected by your server.

**DENNIS MEYER**

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**From:** Dennis Meyer  
**Sent:** Thursday, 17 March 2022 4:59 PM  
**To:** [Tom.OHanlon@woollahra.nsw.gov.au](mailto:Tom.OHanlon@woollahra.nsw.gov.au); Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>  
**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; Carl Reid <[carl@reidvesely.com.au](mailto:carl@reidvesely.com.au)>  
**Subject:** 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Tom / Richard,

As discussed please find attached the concept plans that formed part of our Planning Proposal which we feel should be used as the basis for the uplifted residual land value calculation.  
We will forward the requested HillPDA review of the CBRE report in due course.

**DENNIS MEYER**

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Dear Dennis,

**Subject: CBRE Value Capture Valuation Methodology**

I would recommend an open book feasibility approach with input from experts to estimate likely value uplift for the Anka Property Group planning proposal for 136-148 New South Head Road Edgecliff. The sales evidence provided by CBRE has limited use for direct comparison to the subject property for the following reasons:

- The subject property is larger and more complex than the evidence used (more than double in total GFA)
- The subject property has a higher percentage of non-residential floorspace (30% vs 10% or less), which has a lower sale value in a non-centre location, carries more value risk and is typically less profitable
- The subject property requires three underground basement levels of car parking
- The subject property requires an underground chamber substation
- The subject property does not have development approval and is disadvantaged by uncertainty in future application of development controls (higher planning risk)
- The subject property retains a heritage building adding to its design constraints and cost considerations
- Subject property needs to secure planning agreement and with payment of associated contributions
- Subject property required consolidation of four properties in different ownership at a premium to standalone values to be commercially viable. This premium is referred to as 'synergistic value'.

An open book feasibility approach to determine the residual land value is an approach that HillPDA has adopted and recommended previously for Woollahra Council. It benefits from applying site-specific plans and costs used by the developer to determine the project's feasibility and RLV.

We have recently adopted the RLV approach for planning agreement assessments in Canterbury Bankstown Council, Georges River Council, Newcastle City Council Parramatta Council, North Sydney Council, and the City of Sydney Council.

CBRE, in their report titled "Review of Feasibility Analysis Outcomes 136 – 148 New South Head Road Edgecliff 9/3/2022", state that their analysis is based on comparable market evidence and is "**subject to detailed feasibility analysis** ( Executive Summary bullet points 1& 3 page 4).

CBRE also state that their advice is not a formal valuation and that "**CBRE has not been provided with detailed designs or floorplans in relation to either an 'as-is' or 'as-if-rezoned' development of the Site, and as-such, our analysis is based upon broad planning framework assumptions and is necessarily subject to further more detailed analysis upon receipt of detailed plans and other consultant input.**"

HillPDA would support CBRE's view that a more detailed feasibility review is required along with "further discussions with the Proponent to understand any potential constraints that may significantly impact land value relating to this Property relative to other markets comparable transactions" ( Executive Summary Bulletpont 5 Page 4)

The NSW Government Planning Agreement Practice Note (February 2021) encourages the use of third parties to validate the feasibility information and review sensitive financial information. We recommend that all third parties agree to the NSW Expert Witness Code of Conduct to maintain ethical independence and public integrity.

Yours sincerely,



**Martin Hill AM**

**Director**

BSc (Hons), Master of Real Estate (UNSW), Master of Property Development (UTS), Certified Practising Valuer (Unrestricted), Fellow of Australian Property Institute

[Martin.Hill@hillpda.com](mailto:Martin.Hill@hillpda.com)

## Dennis Meyer

---

**From:** Richard Pearson <Richard.Pearson@woollahra.nsw.gov.au>  
**Sent:** Tuesday, 3 May 2022 11:08 AM  
**To:** Dennis Meyer; Tom O'Hanlon  
**Cc:** Andrew Boyarsky; Carl Reid; Armodee Reece; brett@inghamplanning.com.au  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA  
**Attachments:** (220429) CBRE - Edgecliff Engagement (DRAFT) - Issued Redacted Version.pdf

Dear Dennis

Attached please find CBRE review which now incorporates a feasibility analysis using the same methodology as Hill PDA.

You will note that there remains a significant difference between the Hill PDA bottom line and the CBRE bottom line, which is very substantially attributable to the differing assumptions regarding the appropriate gross realisation values for residential and commercial.

Given the continuing disparities, we recommend appointing a third party to undertake an independent feasibility analysis and/or valuation, in particular to advise on the appropriate gross realisation values.

Once you have had the opportunity to review the CBRE report, I would appreciate your agreement to the above course of action or further discussion if required.

Regards

Richard



**Richard Pearson**  
**Development Manager – Strategic Properties**

Woollahra Municipal Council  
536 New South Head Road, Double Bay NSW 2028

**e:** [Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au) **w:** [www.woollahra.nsw.gov.au](http://www.woollahra.nsw.gov.au)

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---

**From:** Dennis Meyer <DennisM@ankaproperty.com>  
**Sent:** Monday, 2 May 2022 10:14 AM  
**To:** Richard Pearson <Richard.Pearson@woollahra.nsw.gov.au>; Tom O'Hanlon <Tom.OHanlon@woollahra.nsw.gov.au>  
**Cc:** Andrew Boyarsky <AndrewB@ankaproperty.com>; Carl Reid <carl@reidvesely.com.au>; Armodee Reece <Armodee.Reece@woollahra.nsw.gov.au>; brett@inghamplanning.com.au  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Richard,

How did the review go?

Can we organize a meeting this week to discuss please.



**DENNIS MEYER**

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**From:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>

**Sent:** Thursday, 14 April 2022 10:14 AM

**To:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>; Tom O'Hanlon <[Tom.OHanlon@woollahra.nsw.gov.au](mailto:Tom.OHanlon@woollahra.nsw.gov.au)>

**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; Carl Reid <[carl@reidvesely.com.au](mailto:carl@reidvesely.com.au)>; Armodee Reece <[Armodee.Reece@woollahra.nsw.gov.au](mailto:Armodee.Reece@woollahra.nsw.gov.au)>

**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Hi Dennis we have recently received CBRE's feasibility advice and are reviewing – we will organise a meeting with you, probably the week after next.

Richard



**Richard Pearson**  
**Development Manager – Strategic Properties**

Woollahra Municipal Council  
536 New South Head Road, Double Bay NSW 2028

**e:** [Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au) **w:** [www.woollahra.nsw.gov.au](http://www.woollahra.nsw.gov.au)

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---

**From:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>

**Sent:** Wednesday, 13 April 2022 10:10 AM

**To:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>; Tom O'Hanlon <[Tom.OHanlon@woollahra.nsw.gov.au](mailto:Tom.OHanlon@woollahra.nsw.gov.au)>

**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; Carl Reid <[carl@reidvesely.com.au](mailto:carl@reidvesely.com.au)>; Armodee Reece <[Armodee.Reece@woollahra.nsw.gov.au](mailto:Armodee.Reece@woollahra.nsw.gov.au)>

**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Richard,

# Anka Property Group Review of Feasibility Analysis Outcomes

136-148 New South Head Road,  
Edgecliff, NSW 2027

**CONFIDENTIAL DRAFT**

29<sup>th</sup> of April 2022

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Given the limitations of our analysis, the report should only be one input into, and not be relied upon solely, for any decision regarding the market process. This Report is not and does not purport to be a formal valuation of any subject property and should not be relied upon as such.

# Content

## **1. Introduction**

Background  
Executive Summary  
Site Overview

## **2. Market Analysis**

Comparable Development Site Transactions  
Residential Apartment Market Comparables

## **3. Residual Land Value Analysis**

Background  
Analysis Outcomes & Comparison

# Executive Summary

## Land Values – Analysis Outcomes

- Based upon comparable market evidence, we estimate the land value of the Site on an ‘as is’ basis with current planning controls is in the range **\$20.95m to \$23.57m**.
- This equates to land value range of **\$8,000/sqm to \$9,000/sqm** for permissible GFA. The Consultant’s land value estimate on an ‘as is’ basis falls within this range, albeit at the lower end.
- CBRE analysis indicates a similar land value range per sqm GFA would apply to the Site post-rezoning (i.e. \$8,000/sqm to \$9,000/sqm). On this basis and assuming permissible GFA of 8,830sqm (proposed scheme seeking 5.0:1 FSR), we estimate the Site could yield **\$70.64m - \$79.47m** on an ‘as-if rezoned’ basis.
- The Consultant’s report estimates a post rezoning residual land value for the Site of **\$33.05m** equating to a rate of \$3,792/sqm of permissible GFA (under the Proponent’s proposed scheme). This is considerably below market evidence for development site transactions in Edgecliff and surrounding suburbs including Potts Point, Rose Bay, and Double Bay.
- In this context, we recommend further discussion with the Proponent to understand any potential constraints that may be significantly impacting land value relating to this Property relative to other market comparable transactions (including the Proponent’s acquisition of the Site which reflected a significant premium to market).

## Feasibility Analysis - Review

- Gross realisation assumptions within HillPDA feasibility analysis appear conservative, which would impact their residual land value outcome. CBRE’s market analysis for residential unit developments indicates that an average gross realisable value for the project could be in the vicinity of \$25,000/sqm NSA to \$27,500/sqm NSA, in particular, noting potential city/water views from upper levels of this project in an ‘as-if-rezoned’ scenario.
- The Proponent’s feasibility analysis adopts an average unit sale rate in the vicinity of \$20,000/sqm NSA to \$23,000/sqm NSA.
- In this regard, we note the Proponent’s post rezoning land value estimate is significantly below market evidence for development site transactions in the area..
- Aside from residential GR estimates, the remaining feasibility assumptions adopted by the Proponent appear to be within a reasonable range based upon a cursory review and benchmarks available to CBRE.
- Our residual land value analysis mostly adopts the assumption set provided by HillPDA, with the notable exception of residential & commercial sale values.
- Our analysis indicates a residual land value for the site of \$61m - \$70m or equivalently \$7,000sqm - \$8,000sqm of GFA under the proposed development scheme.

Item	Proponent	CBRE
Proponent land acquisition value (historic)	\$35.50m	n/a
‘As-is’ value estimate	\$20.952m	\$20m to \$24m
‘As-if rezoned’ value estimate	\$33.05m (residual land value analysis)	\$61m - \$70m (residual land value analysis) \$71m - \$80m (dev site comparable basis)

# Background

## Context

- CBRE has been engaged by Woollahra Municipal Council (Council) to provide an independent peer review of Hill PDA Consulting's Feasibility Analysis of 136-148 New South Head Road, Edgecliff (**Site**).
- We understand that Council are seeking guidance as to the reasonableness of the analysis to ascertain an indicative pre and post rezoning value of the Site to support VPA negotiations with Anka Property Group (**Proponent**).
- The Proponent has submitted a planning proposal to Council to redevelop the Site into 41 residential apartments, 311sqm of retail floorspace, and 2,299sqm of commercial floorspace.
- As part of Council's VPA policy, a monetary contribution may be payable by the developer to Council relating to a 'value uplift' in land values.
- The Proponent is contending Council's VPA policy stating that the 'value uplift' requirements are contrary to DPIE's demonstrated position on value capture in relation to planning proposals of new developments. Consideration of this matter is outside of the scope of CBRE's engagement.

## Scope of Services – Relevant to this Report

- Market Analysis of comparable development site sale transactions and residential apartment sales in Edgecliff and relevant comparable suburbs.
- Review of Hill PDA's feasibility analysis as supplied by Council, with regard to key assumptions and conclusions reached by the Proponent's consultant.
- Complete a residual land value analysis based on the development scheme provided by Council & the Proponent's architect, comparing key outcomes and analysis drivers.
- Apply the outcomes of our independent review to provide an indicative site appraisal on a 'as-is' and post rezoning (assuming Proponent's proposed development scheme) basis.

## Limitations

- The advice contained within this report does not constitute a formal valuation of the Property and our advice is based on information provided by Council or the Proponent unless stated otherwise. The advice herein is subject to all content, issues, assumptions, disclaimers, qualifications, and recommendations throughout. This consultancy advice may only be relied upon by Council for the purpose for which we were engaged.
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# Site Overview

## 136-148 New south Head Road, Edgecliff

We understand the Proponent acquired the Site in 2020-2021 in four separate lots with the intent of amalgamating the lots and redeveloping into a mixed use project comprising residential, retail, and commercial floorspace.

The Site is situated at 136-148 New South Head Road, Edgecliff. New South Head Road is a key arterial road for the eastern suburbs of Sydney.

The Site is adjacent to Edgecliff Station and currently has residential and commercial improvements. Located in an elevated position, we have assumed a residential development would benefit from City / water views in particular at the upper levels of the project.

Item	Description	
Address	136-148 New South Head Road, Edgecliff	
Lot Plan	1/DP663495, 1/DP1092694, A/DP443992 B/DP443992,	
Land Area	1,766sqm	
Planning Assumptions	Current Planning Framework	Proponent's Proposed Development Scheme
Zoning	B4 Mixed Use	B4 Mixed Use
Floor Space Ratio (FSR)	1.5:1	4.99:1
Permissible Gross Floor Area (GFA)	2,649sqm	8,716sqm
Building Height	14.5m	12 storeys (height not specified)

Proponent's Site Purchase Summary	
Site Purchase Price	\$35.50m (purchased in 4 transactions between May-20 & Aug-21)
Purchase Price (\$/GFA) (with current permissible FSR)	\$13,401/sqm GFA
Purchase Price (\$/Land Area)	\$20,102/sqm Land Area



2

# Market Analysis



# Land Values - Key takeaways and comparison

## Site Appraisal Outcomes

### CBRE

#### Land Value (as-is):

- CBRE estimate a rate per square metre of permissible GFA for the Site (based on comparable sales evidence) of: \$8,000/sqm - \$9,000/sqm.
- Total 'as-is' value assuming permissible GFA of 2,649sqm: **\$20m - \$24m**

#### Land Value (post rezoning):

- Assuming 5.0:1 FSR, equivalent to 8,830sqm developable GFA (as per Council's notes), the total 'as-if rezoned' value is estimated at approximately: **\$70m - \$80m**
- Value assumes Proponent' has paid land value uplift development contribution associated with VPA prior to gazettal.

### HillPDA Consulting

#### Land Value (as-is):

- Assumed rate per square metre of permissible GFA: \$8,000/sqm
- Total value assuming permissible GFA of 2,619sqm: **\$20.95m**

#### Land Value (post rezoning):

- The Proponent's Consultant has performed a residual land value analysis where they have stated that the land value under an 'uplift scenario' to be **\$33.05m.**
- This is equivalent to a rate of \$3,792/sqm of permissible GFA assuming the developable GFA of 8,719sqm (as per Consultant's report)

## Key Takeaways

- HillPDA adopted value for the 'as-is' scenario is at the lower end of CBRE's indicative value estimate.
- HillPDA have adopted a post rezoning value which appears to be significantly below development site sales comparable market evidence.
- We consider 80-84 & 90 New South Head Road and 488-492 Old South Head Road as leading indicators of land value for the Site. Both of these comparable sites have similar land area to the subject Site and are located along arterial roadways.
- We also note the additional height gained through the planning proposal should positively support gross realisation values for residential units in an 'as-if-rezoned' scenario relative to an 'as-is' planning framework scenario.
- Gross realisation assumptions within Hill PDA feasibility analysis appear conservative, which would impact their residual land value outcome. CBRE's market analysis for residential unit developments indicates that an average gross realisable value for the project could be in the vicinity of \$25,000/sqm NSA to \$27,500/sqm NSA, in particular, noting potential city/water views from upper levels of this project in an 'as-if-rezoned' scenario.



### 136-148 New South Head Road

- For the purpose of comparison, we have included the Proponent's transaction of the Site.
- The Proponent has stated that they paid above market rates for the acquisition of the Site being a premium for site amalgamation.
- The Site did not have development consent at the time of acquisition.
- Heritage constraints exist on parts of the Site.

<b>Suburb</b> Edgecliff	<b>Sale Date</b> Aug-21
<b>Land Area</b> 1,766sqm*	<b>Sale Price</b> \$35,500,000
<b>Zoning</b> B4 Mixed Use	<b>Sale Rate</b> \$13,401/sqm GFA
<b>FSR</b> 1.5:1	<b>Proposed Units</b> 56 equivalent units
<b>GFA</b> 2,649sqm*	<b>Land Value per unit</b> \$0.87m/unit

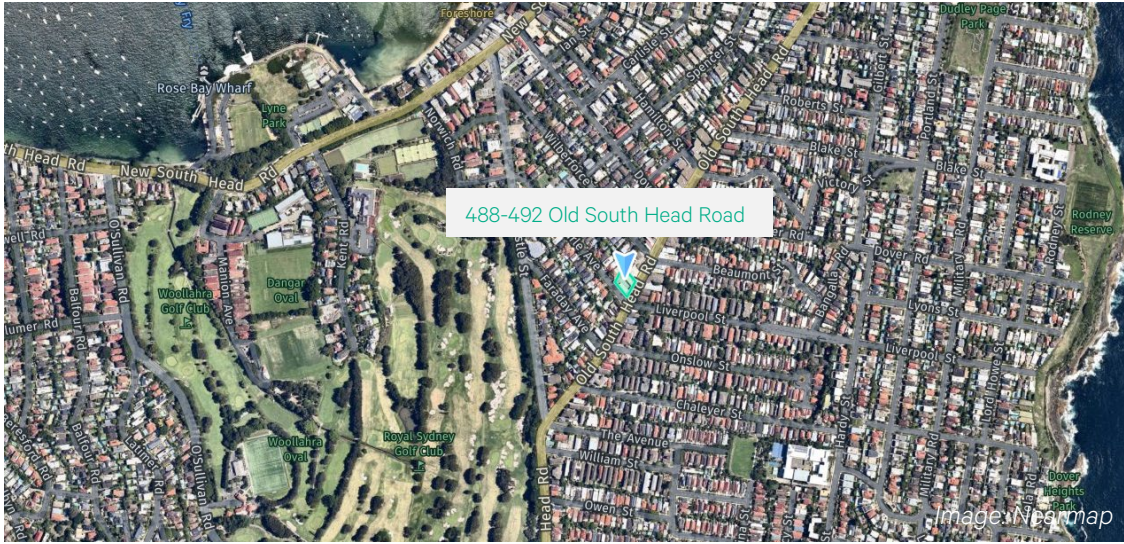
\* Land area as noted by Council in their review of the Feasibility Analysis is 1,766sqm. Hill PDA has prescribed land area of 1,746sqm. For our analysis, we have adopted Council's advice.

### 80-84 & 90 New South Head Road & 9 & 15A Mona Road

- Key comparable transaction to the Proponent's Site due to proximity, size, and nature of proposed scheme.
- The site was sold with existing Development Consent (DA 2/2017) for the construction of a part 4 and part 7 storey building comprising 4 retail suites and 36 residential units, as well as basement parking. CBRE has reviewed the DA to determine the proposed GFA for the site.
- The site was acquired by Fortis group, an established developer of luxury residential apartments in Sydney's eastern suburbs.

<b>Suburb</b> Edgecliff	<b>Sale Date</b> Aug-20
<b>Land Area</b> 1,065sqm**	<b>Sale Price</b> \$24,500,000
<b>Zoning</b> B4 Mixed Use**	<b>Sale Rate</b> \$7,934/sqm GFA
<b>FSR</b> 2.9:1**	<b>Proposed Units</b> 24 residential units + 388sqm retail GFA
<b>GFA</b> 3,088sqm**	<b>Land Value per unit</b> \$1.02m/unit

\*\* Refers to DA 2/2017 stamped plans dated 30 Sept 2021.



#### 488-492 Old South Head Road

- Part of Caltex’s portfolio divestment, we understand the site was purchased by Fabcot, the development arm of Woolworths Group.
- DA has not been submitted for the site, however, we anticipate that a mixed use development will be proposed.
- The site is located along a key arterial road for the eastern suburbs, and is adjacent to neighbourhood retail & commercial properties on street front, and residential units above ground level.
- This site and the subject site have similar amenity, albeit considerably different development potential due to the lower FSR of the comparable property (assuming the proposed scheme is approved).

<b>Suburb</b>	Rose Bay
<b>Land Area</b>	1,561sqm
<b>Zoning</b>	B4 Mixed Use
<b>FSR</b>	1.5:1
<b>GFA</b>	2,342sqm
<b>Sale Date</b>	Dec-19
<b>Sale Price</b>	\$21,000,000
<b>Sale Rate</b>	\$8,969/sqm GFA
<b>Proposed Units</b>	16 units assuming 150sqm GFA/unit
<b>Land Value per unit</b>	\$1.31k/unit

#### 491 New South Head Road

- DA approved sale for development of 8 residential apartments, and 845sqm developable GFA.
- Located in superior position to the subject property, and considerably smaller site area and potential development yield.
- The site is approximately 1.1km east of the subject Site.
- Neighbouring properties are older style walk apartment buildings up to 4 storeys.
- Proposed development (DA373/2021/1) to comprise 5 storey residential apartment building including 8 dwellings and basement carpark.
- Superior R3 zoning enables residential development to the ground floor. As such, we anticipate a lower rate per sqm GFA for the subject property.

<b>Suburb</b>	Double Bay
<b>Land Area</b>	655sqm
<b>Zoning</b>	R3 Medium Density Residential
<b>FSR</b>	1.3:1
<b>GFA</b>	845sqm
<b>Sale Date</b>	May-21
<b>Sale Price</b>	\$8,800,000
<b>Sale Rate</b>	\$10,411/sqm GFA
<b>Proposed Units</b>	8 residential units
<b>Land Value per unit</b>	\$978k/unit

# Marmont – 319 New South Head Road

Sale Rate:  
\$27,500 - \$32,500/sqm  
Superior location, presold c. 2019

- Boutique luxury residential apartment building completed in 2021 and developed by Fortis Group.
- Development is located in a super position relative to the subject property being close to the heart of Double Bay which commands a price premium.
- The development is smaller scale with larger floor plates across two and three bed units appealing to downsizer and young family markets that are prominent in the area.
- We do not expect the proposed scheme will achieve this level of average sale rate as the proposed development scheme is considered to be in an inferior location with a greater level of impact from New South Head Road traffic / noise on lower level units.

Marmont - 319 New South Head Road, Double Bay NSW 2028					
Beds	Car	Sample Count	Avg. NSA	Avg. Sale Rate (\$/sqm NSA)	Avg. Unit Price
2	2	4	93	\$29,997/sqm	\$2.80m
3	2	3	133	\$25,369/sqm	\$3.38m

Unit #	NSA (sqm)	Bedrooms	Bath	Car	Sale Price	Sale Date	Sale Rate (\$/sqm NSA)
4	156	3	3	2	\$2.22m	22-Nov-21	\$14,245/sqm
2	87	2	2	2	\$2.89m	25-Oct-21	\$33,206/sqm
3	99	2	2	2	\$2.75m	30-Jul-21	\$27,778/sqm
1	87	3	2	2	\$3.10m	17-Jun-21	\$35,632/sqm
5	99	2	2	2	\$2.80m	16-Jun-21	\$28,283/sqm
8	156	3	2	2	\$4.80m	5-May-21	\$30,769/sqm
7	88	2	2	2	\$2.75m	4-May-21	\$31,250/sqm

Source: RPData

# Elements – 240 New South Head Road

Sale Rate:  
\$17,500 - \$19,500/sqm  
aged stock, presold 2016

- Residential apartment build over 5 storeys comprising one, two, and three bedroom units.
- Unique corner site that was approved for 4.0:1 FSR. Surrounding properties have FSR restrictions of 1.3:1 and 2.0:1 on the opposing side of New South Head Road.
- The building is located 260m east of the subject site and benefits from similar access to retail offerings and public transport.
- Most recent sales of 1 & 2 bedroom units in the range \$16,500-\$18,000/sqm depending largely on whether the unit has a car space.
- Proposed development scheme expected to achieve comparably higher sale range.
- We anticipate the subject project to trade at a premium to this comparable noting pre-sales for the comparable we transacted in 2016 and hence is considered aged.

Elements - 240 New South Head Road, Edgecliff NSW 2027					
Beds	Car	Sample Count	Avg. NSA	Avg. Sale Rate (\$/sqm NSA)	Avg. Unit Price
1	-	6	51	\$17,354/sqm	\$0.89m
1	1	3	52	\$19,615/sqm	\$1.02m
2	-	1	105	\$17,619/sqm	\$1.85m
2	1	1	105	\$17,143/sqm	\$1.80m
3	2	1	107	\$28,972/sqm	\$3.10m

Unit #	NSA (sqm)	Bedrooms	Bath	Car	Sale Price	Sale Date	Sale Rate (\$/sqm NSA)
9	52	1	1	1	\$0.94m	14-Oct-21	\$17,981/sqm
6	52	1	1	-	\$0.86m	11-Feb-20	\$16,538/sqm
3	51	1	1	-	\$0.85m	23-Nov-19	\$16,667/sqm
15	105	2	2	1	\$1.80m	11-Oct-19	\$17,143/sqm
11	50	1	1	-	\$0.90m	23-Aug-19	\$18,000/sqm
2	51	1	1	-	\$0.76m	18-Apr-19	\$14,902/sqm
16	105	2	1	-	\$1.85m	18-Apr-19	\$17,619/sqm
17	107	3	2	2	\$3.10m	18-Apr-19	\$28,972/sqm
8	52	1	1	1	\$1.13m	11-Apr-19	\$21,635/sqm
12	52	1	1	1	\$1.00m	13-Mar-19	\$19,231/sqm
7	52	1	1	-	\$0.90m	14-Feb-19	\$17,308/sqm
13	52	1	1	-	\$1.08m	3-Mar-16	\$20,673/sqm

Source: RPData

# Encore – 18-28 Neild Avenue, Darlinghurst

Sale Rate:  
\$17,000 - \$21,000/sqm  
Aged stock, presold c. 2017

- 5 storey residential apartment development comprising 40 apartments located on Neild Avenue, just off New South Head Road in Darlinghurst/Rushcutter’s Bay.
- Development was completed in 2019 with sample of sales being secondary sales.
- Superior location in terms of distance to city, and has comparable access to amenity and transport being close to Kings Cross Station and the Eastern Distributor.
- Presold in 2017 on the tail end of a period of market highs, and as such is considered aged project.
- We anticipate the subject project to trade at a premium to this comparable noting pre-sales for the comparable we transacted in 2017 and hence is considered aged.

Encore - 18-28 Neild Avenue, Darlinghurst						
Beds	Car	Sample Count	Avg. NSA (sqm)	Avg. Sale Rate (\$/sqm NSA)	Avg. Unit Price	
1	-	4	53sqm	\$16,705/sqm	\$0.89m	
2	-	1	68sqm	\$20,662/sqm	\$1.41m	
2	1	3	90sqm	\$17,788/sqm	\$1.60m	
3	2	1	119sqm	\$21,261/sqm	\$2.53m	

Unit #	NSA (sqm)	Bedrooms	Bath	Car	Sale Price	Sale Date	Sale Rate (\$/sqm NSA)
G05	97	2	2	1	1,585,000	29-Oct-21	\$16,340/sqm
103	52	1	1	-	905,000	1-Sep-21	\$17,404/sqm
307	54	1	1	-	890,000	7-Jul-21	\$16,481/sqm
203	50	1	1	-	783,075	1-Jul-21	\$15,662/sqm
302	57	1	1	-	980,000	14-May-21	\$17,193/sqm
403	119	3	2	2	2,530,000	26-Mar-21	\$21,261/sqm
G03	93	2	2	1	2,000,000	10-Mar-21	\$21,505/sqm
109	68	2	1	-	1,405,000	27-Feb-21	\$20,662/sqm
G02	79	2	2	1	1,200,000	20-Jan-21	\$15,190/sqm

Source: RPData

# The Hensley – 37-41 Bayswater Road

Sale Rate:

\$25,000 - \$30,000/sqm (with parking)

Aged stock, presold 2016-17

- Boutique 38-unit residential development situated approximately 1.1km west of the subject Site near to Kings Cross.
- Project completed in 2020, pre-sales commenced 2016-2017, hence aged project values.
- The project overlooks Rushcutters Bay and is walking distance to Kings Cross train station..
- Potentially superior location being closer to the CBD, albeit with similar access to amenity, retail, and transport infrastructure.
- Overall the subject Site is considered inferior as it is located on an arterial roadway, and is further from the CBD. However, the transaction values for the comparable project reflect pre-sales in 2016-17, and are aged.

# 3 Residual Land Value Analysis



# Background

## Context of Analysis

- CBRE has been engaged by Council to perform a Residual Land Value Analysis (18th of March 2022) in order to ascertain the reasonableness of the Proponent's estimate of the land value uplift for the property based on a 5.0:1 FSR and proposed development scheme.
- The methodology used by Hill PDA to estimate the residual land value and land value uplift is a discounted cashflow analysis (DCF) of the proposed development scheme cashflows.
- The methodology relies on setting a 'Target Project IRR for the developer to achieve whilst adjusting the 'Residual Land Value' input.
- CBRE has been provided with architectural plans completed by Group GSA for the development which has been relied upon to establish the floor space outcomes of this analysis.
- CBRE has also relied upon cost estimates for ancillary development costs as described in the Hill PDA feasibility analysis. E.g. statutory costs, land holding, demolition, substation, heritage restoration etc.
- CBRE's analysis considers revised revenue drivers including increased residential sale rates. The full suite of assumptions are outlined in following pages.
- This analysis assumes a hypothetical developer that may otherwise acquire and develop the site rather than a specific cashflow mapping of the Proponent's costs incurred to date and forecast cashflows.

## Limitations of Analysis

- This analysis does not constitute a formal valuation of the Property and our advice is based on information provided by Council unless stated otherwise.
- CBRE's analysis relies on assumption set outlined in the Hill PDA report and as advised by Council.
- For the purpose of this analysis indicative cost estimates have been relied upon - CBRE has not reviewed QS estimates for the scheme. Detailed cost estimates may provide a more considered estimate of the residual land value.

# Proposed Development Scheme

- GSA Group scheme is a mixed use development comprising 8 residential levels from level 4 up, and 4 floors of commercial from ground level.
- The plans provide for 3 levels of basement parking split in use between the commercial floorspace and residential. 83 car spaces have been provided for in the design.

Item	Amount
Total GFA	8,723 sqm
Residential GFA	5,872 sqm
Commercial GFA	2,851 sqm

Dwelling Type	Units	Avg Unit NSA (sqm)
1 Bed Units	9	60 sqm
2 Bed Units	18	107 sqm
3 Bed Units	12	157 sqm
Penthouses	2	294 & 314 sqm
Total	41	c. 4,958 sqm
Average Unit Size (NSA)		121 sqm

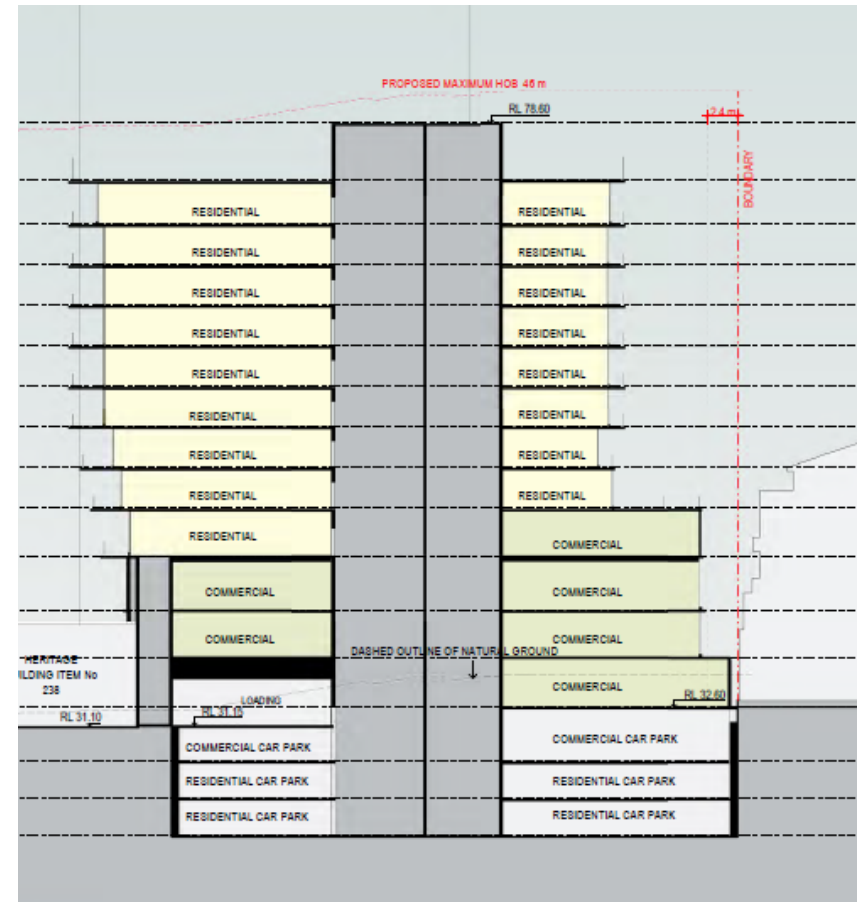


Image: GSA Group - Architect render

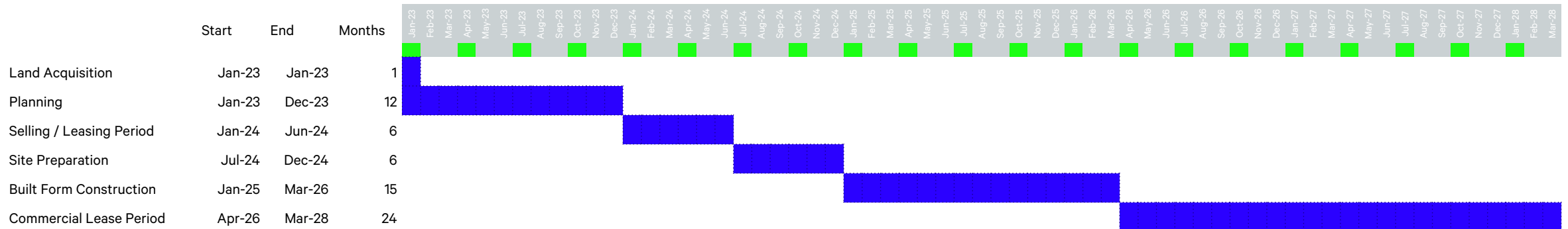
## Analysis Outcomes

- When CBRE's revised assumption set is applied (i.e. increased residential and commercial sale values) the residual land value increases to \$7,000 - \$8,000 sqm of GFA.
- This analysis affirms that the residual land value proposed by the Proponent is impacted considerably by the residential unit sale rate assumptions.
- In further explanation of the delta between development site transaction evidence and the residual land value analysis, market transactions for development sites typically occur on a deferred settlement basis which alleviates the cost to a developer (financing costs) in carrying the property through the planning process. This improves the Project IRR which in turn may result in higher purchase price being paid for such development site properties.
- Running the modelling on a deferred settlement basis our estimates indicate a residual land value range of \$8,000 - \$9,000 sqm of GFA which aligns with market evidence for development site sales in the area.
- It is CBRE's view that the estimated land value ranges proposed in both the market analysis and residual land value analysis are conservative and may achieve higher rates if the site was to be sold in the current market.
- Noting the material difference between CBRE and Hill PDA's estimates of residual land value, it is advised that where Council and the Proponent cannot come to an agreement on this matter, a third party independent valuation be completed for the property for the purpose of VPA negotiations.

Item	Hill PDA	CBRE Model
Description	Feasibility outcomes as provided by Hill PDA	CBRE feasibility model with revised assumptions
<b>Residual Land Value (current dollars)</b>	<b>\$33.05m</b>	<b>\$61m - \$70m</b>
<b>Residual Land Value Rate (\$/sqm GFA)</b>	<b>\$3,792 sqm GFA</b>	<b>\$7,000 - \$8,000 sqm GFA</b>
Target Project IRR	16.0%	15.0%
Residential Sale Rate (current \$) incl. GST	\$20,000 - \$23,000 sqm	\$27,500 sqm
Commercial Floorspace Value	\$15,000 sqm	\$20,000 sqm

# CBRE Development Program

- As previously noted, Hill PDA has stated the development period modelled comprises 18 months lead in period for development approval and planning plus an additional 3 months to secure pre-commitments to the commercial floor space and achieve 60% presales on the residential units. This is followed by a 19 month construction period.
- CBRE’s total development program from land acquisition to practical completion is 39 months with land acquisition and DA planning occurring in the initial 18 month period. This is in alignment with the Proponent’s overall stated program.
- Note: typically development sites are sold on a deferred settlement basis subject to planning consent. If that were to be the case in this analysis the land settlement would occur in Jul-24 and has significant impacts on the Project IRR.
- It has been assumed that the residential units will have all sold by PC of the project. Market evidence suggests strong take up in recent months of comparable off the plan developments in surrounding suburbs.
- The development timeline proposed is considered a conservative estimate and provides small delay buffers relating to the DA & planning process, as well as construction delays that may arise (e.g. inhibiting ground conditions & remediation, complexities of being adjacent to New South Head Road, etc.)
- A 24 month stabilisation period for the commercial office has been provided for before divesting out of the asset. This is to ensure that the asset value is maximised and the asset can be transacted as a going concern.



## Feasibility Model Assumption Set

- Key points of difference between CBRE modelling and Hill PDA are the revenue rates applied. The residential sale rate applied by Hill PDA is considerably lower than CBRE estimates.
- Likewise, CBRE's analysis provides for a greater value of commercial floor space on a \$/sqm basis. The commercial space is also assumed to be stabilised and fully tenanted after two years. At this point the asset is sold as a going concern at comparable market value. It is unclear from the Hill PDA analysis whether this has been assumed. It has been noted in their report that the commercial space is to be delivered as a cold shell rather than incurring costs such as fitout incentives and leasing fees that may support the sale value. This may partially explain the discounting in capital value.
- CBRE's analysis also considers 5% Affordable Housing contribution as advised by Council compared to the Proponent's 3%. Increasing the Affordable Housing Contribution has a direct flow on to the land value of the property as the developer is incurring costs to deliver the assets on Council's behalf.
- CBRE analysis also includes cost escalation estimates as per RLB forecasts for Sydney, and revenue escalation in the range of 5.0% - 6.0%. Hill PDA's analysis excludes any escalation.

	Hill PDA	CBRE
Residential Sale Rate (current \$/sqm) incl. GST	\$20,000 - \$23,000 sqm	\$27,500 sqm
Commercial Capital Value (current \$/sqm NLA)	\$15,000 sqm	\$20,000 sqm
Residential construction cost rate (\$/sqm GFA) (current \$)	\$4,200 sqm	\$4,200 sqm
Commercial construction cost rate (\$/sqm GFA) (current \$)	\$3,700 sqm	\$3,700 sqm
Basement parking (83 spaces) (current \$)	\$75,000 per space	\$75,000 per space
Development Program	39 months	40 months
Target Project IRR	16.0%	15.0%
Affordable housing contribution (% of resi GR)	3.0%	5.0%
Construction contingency (% of construction costs)	5.0%	5.0%
Selling & Marketing costs	2.5%	2.5%

# Feasibility Model Cashflows

- Cashflow summary of CBRE's feasibility model is provided in the across table.
- Note that that the figures presented are nominal amounts that have had escalation applied where appropriate.
- Cashflow summary is based on an indicative residual land value of \$7,400 sqm. Noting CBRE has conducted sensitivity analyses of revenue drivers, escalation, and costs to arrive at the indicative range of \$7,000 - \$8,000 sqm of GFA residual land value.

		FY23	FY24	FY25	FY26	FY27	FY28
Gross Realisation (incl. GST)	\$221.38m	-	-	-	\$164.13m	-	\$57.24m
Less: GST	(\$20.13m)	-	-	-	(\$14.92m)	-	(\$5.20m)
Less: Affordable Housing	(\$8.21m)	-	-	-	(\$8.21m)	-	-
Less: Selling Fees	(\$3.86m)	-	-	(\$0.33m)	(\$2.95m)	-	(\$0.57m)
Less: Marketing Costs	(\$1.11m)	-	-	(\$1.11m)	-	-	-
<b>Net Revenue</b>	<b>\$188.09m</b>	-	-	(\$1.44m)	\$138.05m	-	\$51.47m
Net Rental Income	\$3.61m	-	-	-	\$0.30m	\$1.51m	\$1.80m
Leasing Fees	(\$0.42m)	-	-	-	(\$0.42m)	-	-
<b>Net Operating Income</b>	<b>\$3.19m</b>	-	-	-	(\$0.12m)	\$1.51m	\$1.80m
Land Payments	(\$64.55m)	(\$64.55m)	-	-	-	-	-
Site preparation costs	(\$11.63m)	-	-	(\$11.63m)	-	-	-
Built Form Construction	(\$40.64m)	-	-	(\$10.44m)	(\$30.19m)	-	-
Land Holding Costs	(\$1.08m)	-	-	(\$1.08m)	-	-	-
Fitout Incentive	(\$4.53m)	-	-	(\$1.16m)	(\$3.36m)	-	-
Professional fees & Other development costs	(\$6.34m)	(\$0.98m)	(\$1.95m)	(\$1.95m)	(\$1.46m)	-	-
Construction Contingency	(\$2.84m)	-	-	(\$1.16m)	(\$1.68m)	-	-
<b>Total Development Costs</b>	<b>(\$131.61m)</b>	<b>(\$65.52m)</b>	<b>(\$1.95m)</b>	<b>(\$27.43m)</b>	<b>(\$36.70m)</b>	-	-
<b>Net Cash Flow</b>	<b>\$59.67m</b>	<b>(\$65.52m)</b>	<b>(\$1.95m)</b>	<b>(\$28.87m)</b>	<b>\$101.24m</b>	<b>\$1.51m</b>	<b>\$53.27m</b>
Project IRR	15.00%						
Pre-finance development profit	\$52.89m						



## Dennis Meyer

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**From:** Dennis Meyer  
**Sent:** Wednesday, 11 May 2022 11:16 AM  
**To:** 'Richard Pearson'; 'Tom O'Hanlon'  
**Cc:** Andrew Boyarsky; 'Carl Reid'; 'Armodee Reece'; 'brett@inghamplanning.com.au'  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA

Richard / Tom,

Further to our email below can we please arrange a meeting next week with:

- Yourselfes
- Ourselves
- CBRE
- Hill PDA

to progress the VPA further.

I think if we start the meeting with the 4 groups present to outline where we are at and have a brief discussion on the inputs, we can then leave CBRE and HillPDA together to discuss them in more detail and rerun their feasibilities accordingly with hopefully an agreed set of inputs.

Hopefully we will then be in a position to negotiate further as to a final number for the concept scheme and start talking about how we formulate an adjustment for whatever scheme a DA is presented on.

Please let me know your thoughts ASAP.

### **DENNIS MEYER**

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**From:** Dennis Meyer  
**Sent:** Friday, 6 May 2022 1:20 PM  
**To:** 'Richard Pearson' <Richard.Pearson@woollahra.nsw.gov.au>; Tom O'Hanlon <Tom.OHanlon@woollahra.nsw.gov.au>  
**Cc:** Andrew Boyarsky <AndrewB@ankaproperty.com>; Carl Reid <carl@reidvesely.com.au>; Armodee Reece <Armodee.Reece@woollahra.nsw.gov.au>; brett@inghamplanning.com.au  
**Subject:** RE: 136-148 NSH Rd Edgecliff Planning Proposal Concept Plans for VPA



Richard,

Thanks for the response and CBRE report.

Whilst the numbers still show a significant difference it is at least good that a particular methodology has been arrived at.

The analysis is obviously extremely sensitive regarding inputs, particularly revenues and costs.

We feel that our 2 consultants should be given the opportunity to meet each other and discuss inputs and then hopefully arrive at a common set of inputs which can be used in the feasibility study.

We would like to try this approach prior to any other party being introduced into the mix.

It is very important that both CBRE and HillPDa both use the submitted concept plans as the basis of the feasibility.

I note CBRE based their construction costs from those used by HillPDa.

I note HillPDa have used generic Rawlinson costs for their estimate in part.

Some points I would like to raise for both parties to consider:

- To achieve anywhere near the revenue rates suggested by CBRE, the units will need to be constructed and fitted out to a luxury standard (i.e higher resi construction cost)
- to achieve design excellence, the shape/form of the building and its façade need to be factored into the construction costs (i.e this is not your typical standard 12 storey building)
- sustainability requirements will be best practice and not minimum standards
- restricted site constraints for materials handling and spoil removal from a constrained 3 level basement (i.e higher construction costs in basement)
- increase costs of current market (costs rarely go back down)

Based on all these items our QS has indicated a ballpark design & construct price incl contingency of around \$100m excl GST. (for the submitted concept plans)

Clearly this has a big impact on the outcome of both CBRE and Hill PDA models.

Let us know when we can get the 2 consultants together to discuss further.

## DENNIS MEYER

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**From:** Richard Pearson <[Richard.Pearson@woollahra.nsw.gov.au](mailto:Richard.Pearson@woollahra.nsw.gov.au)>

**Sent:** Tuesday, 3 May 2022 11:08 AM

**To:** Dennis Meyer <[DennisM@ankaproperty.com](mailto:DennisM@ankaproperty.com)>; Tom O'Hanlon <[Tom.OHanlon@woollahra.nsw.gov.au](mailto:Tom.OHanlon@woollahra.nsw.gov.au)>

**Cc:** Andrew Boyarsky <[AndrewB@ankaproperty.com](mailto:AndrewB@ankaproperty.com)>; Carl Reid <[carl@reidvesely.com.au](mailto:carl@reidvesely.com.au)>; Armodee Reece